

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 30,093

Tuesday November 25 1986

D 8523 B

Hollywood looks north to Canada, Page 4

World news

Reagan 'will not dismiss anyone'

President Ronald Reagan told reporters in Washington "I am not going to fire anyone" over the controversial shipment of arms to Iran and insisted his policy towards Tehran was no mistake.

His comments came before a top policy advisers' meeting to review US Middle East policy in the wake of the Iran disclosure.

But in spite of the President's denials, there is continuing pressure on Mr Reagan from Republicans as well as Democrats to act decisively to put the foreign policy blunder behind him. Page 4

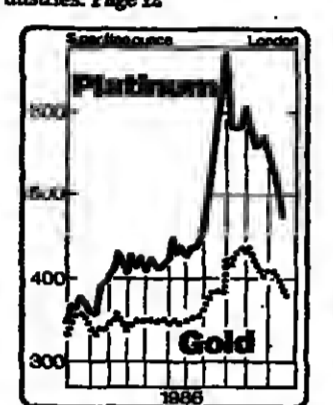
Business summary

US Lines files for Chapter 11 protection

US LINES, one of the world's largest container shipping groups, filed for protection from its creditors under Chapter 11 of the US Bankruptcy Code and suspended its routes world-wide and transatlantic shipping services. Page 2

INTELSAT, the international satellite communications consortium, suspended two senior executives following an auditors' letter. Report and background, Page 12

PERFICO, fast-growing US consumer products group, reshuffled its senior management team and reorganised its snack foods and soft drinks businesses in an effort to strengthen its position in these industries. Page 12



PRECIOUS METALS lost further ground on the London bullion market. Gold closed at \$381.75 a troy ounce, down \$1.50. It also fell in Zurich to \$380.50 from \$382.25. Platinum was down \$8 at \$472.50 an ounce. In New York the December comex settlement was \$382.4. Page 26

DOLLAR closed in New York at DM 2.0140, SF 1.6860, FF 6.5025 and Y163.0. It fell in London to DM 2.0190 (DM 2.0215); SF 1.6885 (SF 1.6915); FF 6.5075 (FF 6.5175), but rose to Y164.15 (Y164.05). On Bank of England figures the dollar's value rose to 111.6 from 111.5. Page 27

STERLING closed in New York at \$1.4130, it fell in London to \$1.4170 (\$1.4225). It also fell to SF 2.3325 (SF 2.4050); FF 6.3825 (FF 6.4125); DM 2.8900 (DM 2.8750); and Y232.50 (Y233.50). The pound's exchange rate index rose 0.3 to 68.2. Page 27

LONDON: Optimism ahead of today's trade figures for October helped the London to close on a high note. The FT-SE 100 index rose 11.6 to 1,838.5 and the FT Ordinary index added 8.4 to 1,282.8. Page 34

WALL STREET: At the close the Dow Jones industrial average was 12.51 higher at 1,906.97. Page 34

TOKYO was closed for a holiday. Yen hits foreign listings, Page 32

NEWS CORP, Rupert Murdoch's Australian master company, reported a 64.3 per cent rise in net profits to A\$57.97m (US\$37.38m) for its first quarter to September. Worldwide turnover increased 79.7 per cent to A\$1.32bn. Page 13

TARIFF-FREE EEC imports of petrochemicals from the Gulf will in future be subject to strict quotas, as part of a new regime of the generalised system of preferences (GSP) offered to developing countries.

GOODMAN FIELDER, Australasian foods group, and Wattle Industries, New Zealand meat processing and canning company, are to merge in a deal which will create a combined capitalisation of A\$2bn (US\$1.29bn) and assets of A\$2.7bn. Page 15

COMPANIA TELEFONICA Nacional de Espana, Spanish semi-state telephone monopoly, is to launch a Pta 25bn (\$185m) rights issue in convertible bonds next week, taking advantage of tax relief on bond investments before it is scrapped at the end of the year. Page 16

ARGUS PRINTING and Publishing, largest South African English language newspaper group, increased turnover to R577.1m (\$168m) from R519.2m in the half-year to September and posted pre-tax profits of R17.2m against R9m. Page 13

Barclays' S. Africa move is hailed as blow against racism

BY DAVID LASCELLES IN LONDON AND JIM JONES IN JOHANNESBURG

ANTI-APARTHEID groups yesterday hailed Barclays bank's decision to pull out of South Africa as a major victory in the struggle against racism.

But the news was greeted with widespread disappointment in the republic and was expected to lead to further divestments by UK companies.

In one of the largest divestment moves yet taken against the republic, the bank announced that it had agreed to sell its 40.4 per cent stake in Barclays National Bank (Bar-nat), the country's largest bank.

Sir Timothy Bevan, Barclays chairman, said the reasons were "basically commercial." But he conceded that the long-running controversy over his bank's presence in the republic, where it has been active since 1924, was hurting its business in other parts of the world. He also cited Barclays' wish to concentrate its efforts in Europe, the Far East and North America.

Politically Barclays' move is an awkward one for Mrs Thatcher, the British Prime Minister, who has resisted imposing full-scale sanctions against South Africa. But opposition parties in the UK were quick to applaud it yesterday. The Anti-Apartheid Movement called it "an important and historic victory in the international campaign for

● Barclays' assets hit by rand's decline, Page 2
● Canada strengthens stance against Pretoria, Page 2
● Future: high risks and low returns, Page 10
● Editorial comment, Page 10; Lex, Page 12

sanctions," but said it would continue to press Barclays to sever all links with South Africa.

Barclays is to sell the stake for R527m (about \$124m at the financial rand exchange rate) to Barnat's other shareholders. Just over two thirds of the 29m shares on offer will go to Anglo American Corporation, De Beers Consolidated Mines and the Southern Life Association, which already have large stakes in the group. The remaining shares will be offered to other South African institutions.

The final profit for Barclays after tax will be of the order of £6m.

The South African authorities have given Barclays permission to repatriate the funds, but the transfer will have to be effected over several months because of the thinness of the financial rand market.

After the sale goes through, Barnat's name will be changed to exclude the word "Barclays," but Barclays will continue to co-operate in areas like technology and training, and maintain its correspondent banking relationship. The deal does not affect Barclays' loan exposure to South Africa which stands at over £700m.

Sir Timothy said he had told Mr Barred du Plessis, the South African finance minister, about the decision last week. He expressed disappointment.

which they closed on the Johannesburg stock exchange last Friday. Sir Timothy said this discount was necessary in order to achieve a sale of this size. He also noted that the sale price was well above Barnat's net asset value of R125 a share.

Barclays will make a profit of about £20m (£26m) on the sale. But the proceeds will have to be repatriated through the financial rand rather than the commercial rand at an unattractive rate of exchange.

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Sheikh Yamani's passport withdrawn

By Richard Johns in London

SHEIKH Ahmed Zaki Yamani, dismissed last month as Saudi Arabian Oil Minister, has been ordered by King Fahd not to leave the country.

All frontier posts were notified and Sheikh Yamani had his passport confiscated.

King Fahd is believed to have acted shortly after he dismissed Sheikh Yamani, but details only emerged yesterday.

The restrictions imposed on Sheikh Yamani, formerly a leading figure in the Organisation of Petroleum Exporting Countries, are being accompanied by a campaign in Saudi-owned media to discredit him.

He was dismissed for expressing strong reservations about the monarch's dictat that the price of oil should immediately be restored to \$18 per barrel without any cut in oil production by Opec or Saudi Arabia.

King Fahd is evidently worried that if Sheikh Yamani left Saudi Arabia, he might tell his version of the story. But close confidantes of the former minister believe that he would be much too discreet to contemplate any such revelations.

The restrictions on his movements have become something of an issue in the Western province of Saudi Arabia - the Hijaz - which has always ranked over the domination by the less sophisticated central province - the Nejd - where the royal family come from.

Friends of Sheikh Yamani made their feelings known by calling on him in large numbers to show their resentment against what they regard as a high-handed dictat.

Ford and VW to link South American units

BY IVO DAWNAY IN SAO PAULO AND TIM COONE IN BUENOS AIRES

FORD of the US and Volkswagen of West Germany are to merge their loss-making vehicle operations in Brazil and Argentina into a new joint company which will not only dominate the Latin American automotive industry but also be one of the world's major motor businesses.

VW is to take 51 per cent of the joint venture company, to be called Automotiva, which will have 15 plants with the capacity to produce 800,000 vehicles a year, employ 75,000, supervise 1,500 dealers and deal with 5,000 components and raw materials suppliers.

Last year the combined Ford and VW vehicle operations - including the associated credit companies - had sales equivalent to \$4bn.

The partners said yesterday no agreements have yet been signed but, when the deal is completed, the joint venture should ensure continuing updating of technology, higher operational efficiencies and better utilisation of manufacturing facilities.

According to Argentine sources, the joint-venture company will invest at least US\$100m by 1990 for the launch of three new car models.

The companies stressed the identity and unique image of VW and Ford trademarks will be maintained and their vehicles will continue to be sold and serviced through separate dealer networks.

The merged company will be jointly managed by Ford and VW with Mr Wolfgang Sauer, at present head of VW of Brazil, as president.

The partners also suggested the merger will contribute to the economic integration programme announced by the governments of Brazil and Argentina.

Diplomatic exchanges between the two countries about the creation of a "common market" are gathering pace.

President Raul Alfonsin of Argentina is due to make a state visit to Brazil next month during which a number of important protocols on increased trade links and reduced customs duties between the two countries are expected to be signed.

There has been considerable speculation in Brazil that future agreements could include a closer integration of the two countries' motor industries, allowing the trading of much-needed Argentinian components for Brazilian engines.

Discussions were taking place on a deal in Buenos Aires last week but it is not expected that any agreement on the integration of the two motor industries will form part of the protocols to be signed next month.

VW's 80 per cent-owned Brazilian subsidiary reported a loss equivalent to DM 86m (\$42.5m) last year, while VW's subsidiary in Argentina suffered a DM 48m loss.

Fiat's polish plans: Doubts over Brazil's austerity measures, Page 4

OECD warns on water pollution from fertilisers

BY ANDREW GOWERS IN LONDON

WATER POLLUTION caused by the intensive use of fertilisers on farms is expected to grow in the next few years into a major environmental problem, which could cause unacceptable health hazards if it is not brought under control.

This warning is contained in a strongly-worded report just published by the Organisation for Economic Co-operation and Development (OECD), the Paris-based grouping of 24 industrial countries.

It says regulation of pollution by agriculture lags significantly behind efforts to curb environmental damage by industry, and suggests the application of its so-called "polluter pays" principle - a doctrine widely applied to industry in OECD member countries - to farming.

This might imply the charging of special taxes on synthetic fertiliser sales in order to discourage wasteful usage.

"In many respects agriculture is now in a situation comparable to that of industry 20 years ago," the report says.

The study is likely to increase the pressure in many industrial countries, especially in Europe, for action to curb the damage caused by intensive farming methods. Its message is understood to have aroused serious concern among leading fertilizer manufacturers, including British ICI, which are already suffering from severely depressed prices.

Its publication coincides with official moves to compel farmers to reduce their fertilizer use in Denmark and a recent tightening of controls in the Netherlands.

Water pollution by fertilisers is also being considered in the UK by an authoritative committee comprising representatives of the Environment Department, the Agriculture Ministry, water authorities, fertilizer manufacturers and farmers among others. This body, the Nitrogen Co-ordination Group, is due to report next week on what action might be required in Britain.

The OECD study describes how the revolution in agricultural methods over the last two decades, involving increasing intensity of both arable and livestock production, has been accompanied by a steep and continuing rise in the use of artificial nitrogen fertilisers.

Significant quantities of the nitrate thus injected into the soil have been washed out into rivers and aquifers (underground water-bearing rocks).

Water pollution by fertilisers and pesticides: OECD, 2 rue Andre-Pascal, 75776 Paris Cedex 16, France.

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Water pollution by fertilisers and pesticides: OECD, 2 rue Andre-Pascal, 75776 Paris Cedex 16, France.

Last major market maker plans to conform to new UK system

BY BARRY RILEY, FINANCIAL EDITOR, IN LONDON

LONDON'S biggest jobbing business in the old style equity market is planning a move that could prove a coup de grace for equity dealing on the stock exchange's trading floor.

Smith New Court had been the only major market making firm to maintain a full scale trading operation on the market's floor since the Big Bang changes on October 27.

Now it plans to move almost all its floor dealers to its upstairs trading room early in the new year.

The departure will be delayed until the expected turmoil of the forthcoming British Gas issue has subsided, but after that, the victory of the stock exchange's new screen-and-telephone dealing system will be complete.

"The system has proved itself. We have had to consider the implications," said Smith's chairman, Mr Tony Lewis, yesterday. He regretted the end of traditional face-to-face dealing between brokers and jobbers. "I'm genuinely, personally sad," he said.

But almost all the business has been done over the telephone.

Physical conditions in the pitches are far from ideal for the kind of dealing and there has also been a psychological impact on the traders as they have seen most of their competitors depart upstairs, leaving the floor largely empty.

Smith is believed to think it will be more profitable to operate from its own trading room. A final decision on whether the move will be complete, or whether a few traders will remain on the floor, has apparently not yet been made and will depend on whether there is seen to be a sufficient demand from brokers for a residual floor service.

The stock exchange is now likely to consider what to do with the largely redundant floor, although the booming market in traded options will absorb some of the space. Other ideas include raising space out to the financial futures market, Life, or permitting "share shops" open to the general public.

Mr Patrick Mitford-Slade, chairman of the stock exchange's projects committee, which planned the switch to the new trading system, said the cost would be borne by the market makers rather than the exchange.

"We always knew the development was speculative," he said. "That's why we got the market makers to pay for it." Market makers put up £8,000 for each of the 224 pitches, and have contracted to pay annual rentals for three years.

It is thought that Smith New Court's trading experience has been satisfactory and its turnover has risen in the four weeks since Big

Revlon withdraws \$4bn Gillette bid

BY CHARLES HODGSON IN NEW YORK

MR RONALD PERELMAN, one of the most aggressive corporate raiders in the current wave of US takeover activity, yesterday withdrew his hostile \$2.2bn bid for Gillette, the razor and consumer products group, and agreed to sell his 13.9 per cent stake back to the company for \$568m.

The deal, which analysts described as a clear case of greenmail (where one shareholder is treated differently from others), is estimated to have netted Mr Perelman, chairman of Revlon Group, profits of at least \$34m.

It is certain to arouse considerable controversy among institutional shareholders, coming less than a week after Sir James Goldsmith, the Anglo-French financier, dropped his hostile \$3.3bn bid for Goodyear, the tyre group, and sold

his shares back to the company at a profit of more than \$60m.

Mr Perelman recently made a profit of about \$46m in a similar share buyback by CPD International, the US grocery products and corn milling group, at a premium to the market price.

Mr Perelman issued a statement yesterday saying that he had dropped his bid as a result of the stiff defence put up by Gillette, which could have caused Revlon "substantial losses." Gillette said that following the withdrawal of the bid, it would repurchase the 9.2m shares owned by Mr Perelman's group of investors at \$59.50 a share. It is also to reimburse \$8m of expenses to Revlon.

Mr Perelman's bid was formally launched by Orange Acquisition, a partnership between Revlon and

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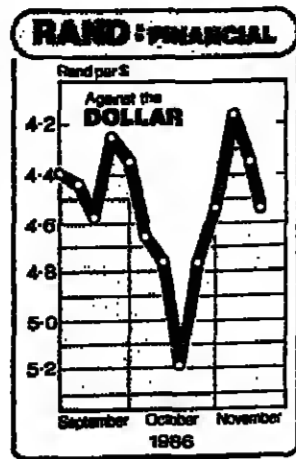
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SOUTHERN AFRICA

Anthony Robinson reports on the cost of Barclay's disinvestment and its implications for other UK companies

Financial rand takes its toll of Barclay's assets

DISINVESTMENT from South Africa through the financial rand will prove time-consuming and expensive for Barclays Bank...



American group through the financial rand (£21.3m), the sole official channel for disinvestment...

will only be able to repatriate its funds gradually through the proceeds of purchases by other foreigners of South African financial and property assets...

The leader of a South African teachers' association has defended the forced closure of schools in his country by anti-apartheid activists...

Soweto and they forced the closure of a further 41 secondary schools there, he said.

underlined again last week when the Government quietly shelved the long-awaited President's Council report on the Group Areas Act.

Frontline states prepare for sanctions

SOUTH AFRICA'S black neighbours took further steps towards anti-apartheid economic sanctions at the weekend...

13 killed in fighting over boycott of beer hall

THIRTEEN black miners were killed and 20 wounded in week-end battles between workers at the Vaal Reef gold mine over a boycott of a mine beer hall...

Canada strengthens stance against Pretoria links

BY BERNARD SIMON IN TORONTO

A SPATE of government pronouncements and business actions in the past week have underlined Canadian frustration with events in South Africa.

Investment in South Africa in the wake of Falconbridge's move to increase temporarily its equity interest in the platinum producer Western Platinum...

ports of South African farm products, uranium and iron and steel, closed South African airline and tourist offices...

Canadian companies with interests in South Africa have clearly felt the pressure. Besides Bata and Falconbridge, Alcan Aluminium and Dominion Textile have pulled out.

British companies have deeper roots in South Africa than most. As well as West German companies like BMW, Mercedes Benz, Volkswagen and Opel...

has met the South African ambassador and openly criticised the federal Government's measures against Pretoria.

Dr Kaunda gave no details, but said the measures would be in support of those already taken by the international community...

Mr Kingsley-Jones, a union spokesman, said the fighting erupted between groups that favoured and opposed the beer hall boycott...

OTHER OVERSEAS NEWS

Eban assails Iranian deals

MR ABBA EBAN, the former Israeli Foreign Minister, yesterday condemned the Israeli Government's secret provision of arms to the Khomenei regime in Iran...

Indian ministers in Sri Lanka talks

TWO SENIOR aides of Indian Prime Minister Rajiv Gandhi arrived in Colombo this afternoon for what is expected to be a two-day visit...

Gorbachev visit will be monitored by the West, John Elliott writes

India welcomes a special friend

A GROUP of plump and tired-looking tourists rattled the locked hotel gates to the beach one evening recently at Gopalpur-on-sea...



Picture of Mr Gorbachev hangs on a lamp-post as New Delhi prepares to greet the Soviet leader.

national oil prices. This fall has affected the value of Middle Eastern oil which the USSR has been buying to sell in India in order to push up its side of the rupee trade.

STAYING IN LYON? Complimentary copies of the Financial Times are now available to guests staying at the following hotels: HOTEL DES ARTISTES LYON - FRANEL LYON, GRAND HOTEL CONCORDE LYON, HOTEL LE ROOSEVELT - HOTEL SOFITEL LYON

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SANDEMAN FOUNDERS RESERVE PORT NO LONGER RESERVED TO THE ENGLISH. An advertisement featuring an illustration of a man in a top hat and a dog.

Briton continues to stonewall in Australian spy case

SIR ROBERT ARMSTRONG, the British Cabinet Secretary, yesterday again refused to answer key questions concerning the UK Government's bid to suppress the memoirs of a former agent of the MI5 security and counter-intelligence service.

In his book Mr Wright is thought to assert otherwise. Mr Justice Powell is expected to rule on the documents subject to appeal, which could mean further delays.

"It is inconceivable that this action was not considered before," he said. Towards the end of yesterday's mostly routine proceedings, Mr Turnbull appeared to catch Sir Robert Armstrong unawares - first by producing a letter written to Mrs Thatcher by Mr Jonathan Aitken in January 1980...

London station, he was a man of considerable power and influence in the Russian intelligence service, wasn't he?" Mr Turnbull asked. "Certainly," Sir Robert replied.

"Given the uncertainty surrounding Sir Roger Hollis and given your concern about it, why has your Government not released the information Gorbachev gave you on Hollis?" Mr Turnbull asked.

EUROPEAN NEWS

'Grand coalition' on cards after Austrian election

AUSTRIA'S POLITICAL parties yesterday began to assess the results of Sunday's general election to decide on their next moves...

Table with 4 columns: Party, Seats of vote, % of vote, and % of seats. Rows include People's Party, Socialists, Freedom, and Greens.

The Communist Party and others polled less than 1 per cent. A complicated proportional representation system means delays in final results.

Idea of a coalition with the Freedom Party. The general election results were the worst ever for the People's Party...

Norwegian krone slips below intervention level

THE NORWEGIAN krone is coming under renewed pressure in foreign exchange markets and fell yesterday close to its weakest permitted level...

EEC states struggle to agree on power station air pollution

EEC member states were struggling yesterday evening to agree on a broad joint position on cutting air pollution from power stations.

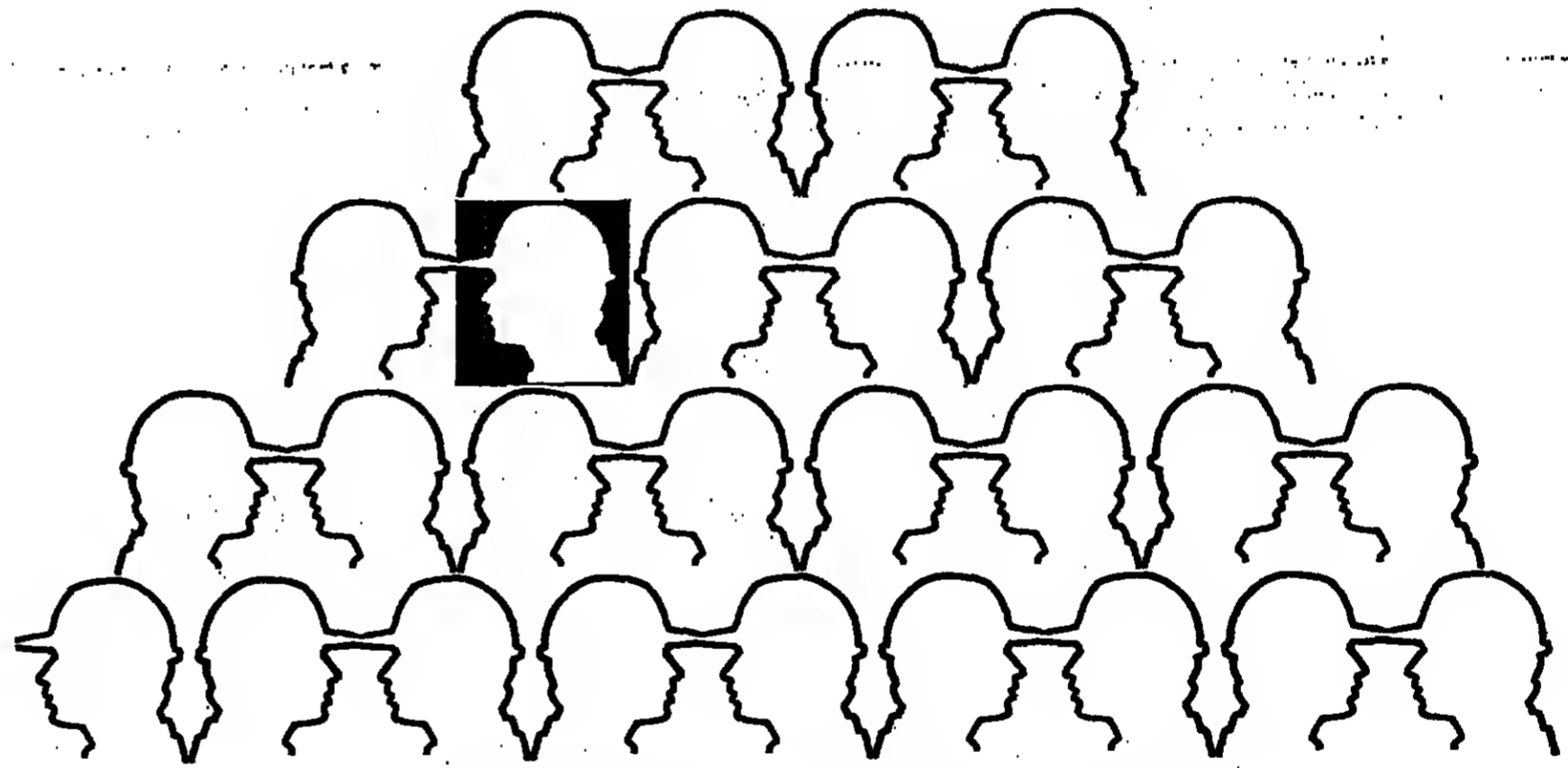


Bangemann: welcoming

Bonn rejects boost for economy

THE West German Government yesterday ruled out any new efforts to boost the economy in the wake of an official report showing that average growth both this year and next is likely to fall significantly short of forecasts.

WHICH TRAFALGAR HOUSE COMPANY HAS JUST COMPLETED THE CHELMSFORD BY-PASS?



CEMENTATION CONSTRUCTION.

Lord Brabazon of Tara yesterday opened the new nine-mile section of the A12 which by-passes the town of Chelmsford in Essex.

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Moscow agrees to talks on normalising relations

THE Soviet Union has agreed to hold exploratory talks with the European Commission on normalising relations with the EEC.

Italian political parties alarmed by tax protest

A TOTALLY unforeseen turnout of at least 30,000 people for a demonstration in Turin on Sunday against the Italian tax burden and wasteful public expenditure has sent a surge of anxiety through the country's political parties.

US DOLLAR THE WORLD VALUE IN THE FT EVERY FRIDAY

WORLD TRADE NEWS

Fiat near \$1bn Polish motor industry pact

BY JOHN WYLES IN ROME

THE FIAT group is close to an agreement worth around \$1bn (£700m) for reconstructing and expanding the Polish motor industry.

Although details of the negotiations remain sparse, it is understood that the Italian company is ahead of Japanese competition for a contract aimed at modernising and developing car production capacity in Poland.

Negotiations are said to be focusing on a number of difficult financial problems centring on how Poland would pay for the work carried out by Fiat.

The Eastern Bloc country is still chronically short of hard currency and the two sides are negotiating, among other matters, on volumes of Polish-produced cars which Fiat would accept in payment and distribute through its European dealer network.

At the same time, the Italian Government is due to decide shortly whether it would sanction export guarantee insurance for about \$200m of credits to finance shipments of components and machinery from other Italian manufacturers.

The contract would require Fiat to construct a new car plant in Poland for the production and assembly of a small car for sale in both Eastern and Western Europe.

The Italian company would also introduce some of its advanced production and assembly technology in existing Polish car plants to put them in a better position to compete in western markets.

Fiat would in effect be updating capacity which it installed in Poland in the 1960s when the "Polyski Fiat" made its appearance. Since then, the company has been importing a number of Fiat 126s made under licence in Poland for sale in Italy.

Since the Italian export credit insurance agency is shortly expected to shorten its list of countries which have been denied insurance cover for Italian exports.

Poland has been among some 40 countries on the "black list" which is being cut to only five. As a result, it will qualify for insurance of short-term trade credits but Italian government backing will be necessary to ensure longer-term facilities.

Italians win \$138.5m Indian rig contract

By John Elliott in New Delhi

SNAMPROGETTI OF ITALY has won one of India's biggest offshore oil and gas contracts worth a \$138.5m (996m) order for a platform complex in the South Bassin II Gas Field in the Arabian Sea.

The contract has been awarded by India's Oil and Natural Gas Corporation (ONGC) and involves construction of three offshore platforms for gas drilling and processing and for living quarters, plus 20 km of interconnecting pipeline.

Prof Franco Reviglio, chairman of ENI, Snamprogetti's state-owned parent company, said in New Delhi that \$40m of Italian government soft loans had enabled Snamprogetti to beat Hyundai of South Korea which had submitted a similar price. Other higher bids were submitted by US and Japanese companies.

The \$40m is at 1.5 per cent for 23 years with a 13-year grace period and is accompanied by \$30m of export credits organised by the UK Bankers Trust.

This is Snamprogetti's first big offshore contract in India and follows the company's failure earlier this year to win a \$600m contract for a 1,700 km cross-country pipeline which was awarded to a French-Japanese consortium.

But Snamprogetti has had several years of success in other fields in India, winning major fertilizer plant and other contracts.

Tenders for the offshore platforms were first submitted at the end of last year. In April, the ONGC called for fresh bids.

The work will be carried out by Snamprogetti with sub-contractors from the US, the Philippines and elsewhere.

● The Modi Group of India has formed a joint company with Olivetti to produce micro-computers at Rampur, north of New Delhi, near a paper copier factory run by Modi with Rank Xerox of the UK.

Modi and Olivetti will each have a 50 per cent stake in the Rs 300m (£16m) project, and the remaining 20 per cent will be sold to the Indian public.

US efforts to increase trade have failed, reports Canute James Caribbean complaints grow louder

CARIBBEAN leaders have stepped up their complaints to the US about the Caribbean Basin Initiative, the trade programme designed to help the nations economies.

Concerned by what they see as a tendency towards increasing protectionism in the US, Caribbean leaders say that a Democrat-controlled legislature may impose tougher trade measures, the leaders feel that they are likely to lose out on special preferences which the Reagan Administration granted to the region three years ago.

At a conference in Miami on Caribbean trade, they argued that the Initiative had failed to live up to expectations, and suggested that the value of the scheme was being eroded by the Administration which offered it.

Under the 12-year Initiative, an arm of US Central American policy, 21 politically-favoured countries are allowed to ship a range of products duty free to the US. The list includes garments, leather goods, petroleum products and canned tuna from special access.

US officials countered the region's complaints by arguing that it was still too early to assess the true worth of the trade programme, and that policies pursued by several of the region's governments were responsible for the Initiative's alleged failure.

The arguments coincided with the publication of US Government figures which indicated that Caribbean exports to the US in the first six months of this year fell 12 per cent below the corresponding period of last year, after falling by 22 per cent in 1985.

Mrs Muni Figueres, Foreign Commerce Minister of Costa Rica, said that from being a scheme intended to benefit the region, the Initiative had become "caught in a web of contradictions in US policy making." Rather than attracting new investments, the region had suffered from an outflow of capital.

Mrs Figueres used as an example her country's efforts to take advantage of what was regarded as a lucrative market in the US for cut flowers, but which had now been subject to countervailing duties of 46 per cent.

For non-traditional exporters, she argued, the Initiative represented a "short-term disaster."

Fearing that similar action may be taken against other exports from the region, Mr Errol Barrow, the Prime Minister of Barbados, told the conference that if his "friends" in Congress "seriously wanted to help the Caribbean, they should... allow all of our exports free and unrestricted access to the US market."

"We are concerned that after



Mr Barrow... free access for exports

some would say... that the programme is a failure. The figures, however, only reflect the very problem we decided the programme would need time to lick—the overdependence on a few commodity exports."

Arguing that last year the designated countries bought \$6.8bn worth of US exports, making the region the US's seventh largest market, and that US investments in the Caribbean basin are valued at \$60n, Mr Paul Taylor, Deputy Assistant Secretary for Inter-American Affairs told the conference that Caribbean progress in using the Initiative was being impeded by "outdated and distorted economic policies," such as restrictions on foreign trade and investment.

A pledge to defend the Initiative against changes which a Democrat-controlled Congress may want to make was given by Mr Richard Lyons, the Secretary for Agriculture, who said President Reagan would fight any Congressional efforts to undermine the trade scheme.

"This initiative is not a hollow goodwill gesture," he claimed. "Congress and the Administration are committed to economic progress in the Caribbean basin."

Despite these assurances, some Caribbean leaders remain unconvinced that the trade scheme will not be changed by legislators.

Japan 'set to change liquor tax system'

JAPAN WILL almost certainly change its controversial liquor tax system soon, but probably not as much as European and US governments would like.

That is the message that Japanese Government leaders will transmit to Mr Paul Channon, UK Trade and Industry Secretary, who starts a four-day official visit to Japan today with the liquor tax issue high on his agenda.

Foreign governments claim that Japan's liquor taxes discriminate against imported wines and spirits, and the European Commission has complained to the General Agreement on Trade and Tariffs about it.

Mr Channon, who will meet the Japanese Foreign and International Trade and Industry Ministers as well as Prime Minister Yasuhiro Nakasone, will be told that the liquor tax is just one element in a wider reform being planned.

The Foreign Ministry has been sounding out members of the Diet (parliament) on their reactions to changes in the liquor tax and has apparently encountered a strong negative response from those with wine and spirits industry connections. The implication is that too radical a reform might not win approval.

Mr Channon, who is also to some extent representing the European Commission on this visit, will not get much satisfaction on other trade issues of concern to European governments either.

Gatt chief sees shift in Third World earnings

BY WILLIAM DULLFORCE IN GENEVA

DEVELOPING countries will this year for the first time in the post-war period earn more foreign exchange from exports of manufactured goods than from exports of fuels, Mr Kazuo Chiba, chairman of the General Agreement on Tariffs and Trade (Gatt) told the opening session of the organization's annual meeting yesterday.

The fall in crude oil and other commodity prices has undoubtedly influenced this shift but Mr Chiba said it is also evidence of the ability of developing countries to move into more sophisticated areas of the

world market.

The share of the least-developed countries in manufactures trade increased from 7 per cent in the early 1970s to 12.5 per cent in 1985, even though developing countries had been turned away from the markets of industrial nations just when they had found the capacity to compete effectively, Mr Chiba said.

He underlined the determination of the developing countries to secure a better deal for themselves in world trade from the Uruguay Round of multi-lateral trade negotiations now under preparation in Gatt.

Sri Lanka power deals for UK

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

BRITISH COMPANIES under the co-ordination of Balfour Beatty, the construction unit of BICC, have been awarded contracts worth a total of £106m in connection with the 120MW Sainalawa hydroelectric power project in Sri Lanka.

Award of the contracts, announced yesterday, follows four years of negotiation on the project which is a rare example of collaboration between UK and Japanese companies who will account for the remainder of the £288m project.

"We believe that we have broken new ground. I don't believe that there's been an Anglo-Japanese project of such complex financing," Mr Neil

Siemens warns on EEC action

BY DAVID MARSH IN BONN

SIEMENS, the West German electrical group, has warned Japan it may face retaliatory action from the EEC unless it does more to open its market for foreign manufactured goods.

Mr Hans-Gerd Negelein, one of the Siemens board members, asked his voice to growing protests from West German industry about the tide of Japanese imports into the Federal Republic.

In view of the recent apparent diversion of Japanese export efforts to Western Europe, a "danger" existed that growing calls within the EEC for retaliatory measures against Japanese exports would no longer be ignored, he declared.

Plessey sales breakthrough

BY DAVID THOMAS

PLESSEY, the UK electronics company, has made what it regards as a breakthrough sales of its UK-made advanced payphones in the Far East.

Mr Peter Brown, Plessey payphones managing director, said that after a six-month marketing drive, Plessey had sold 1,000 phones in Hong Kong; 200 in Singapore; 100 in China; 100 in the Philippines; and 300 in Macau.

Alfonsin 'willing to back trusteeship for Falklands'

BY JIMMY BURNS IN LONDON AND TIM COONE IN BUENOS AIRES

PRESIDENT RAUL ALFONSIN last night declared on BBC TV that he would be willing to accept UN trusteeship over the Falklands "for as long as necessary" to reassure the inhabitants of the islands that their rights will be respected.

This formula in effect amounts to international jurisdiction over the islands with the presence of a UN peace-keeping force. It has been vaguely accepted by Mr Alfonso as a possible option in the past.

But his more categorical support for the formula yesterday appeared to be a clear attempt to influence the outcome of a key UN debate on the Falklands issue.

Argentine and British officials last night debated the resolution calling on both sides to enter negotiations on all aspects of the Falklands—diplomatic short-hand for an open agenda including the sovereignty issue which Britain refuses to discuss.

According to senior diplomats, majority backing for the resolution is assured when the UN votes today.

Last year 107 countries voted for the resolution, four voted against Britain, Belize, the

Solomon Islands and Oman) and 41 abstained.

But Argentina hopes that Britain's recent decision to impose a 150-mile fisheries conservation zone around the islands and its own offer last week to formally cease hostilities in return for a demilitarization of the zone will ensure that several EEC countries abandon their neutrality and vote in favour.

Speaking on the BBC Panorama programme last night Mr Alfonso accused Mrs Margaret Thatcher, the British Prime Minister, of trying to create a "mood of ultra-nationalistic xenophobia" so as to turn the recent fishing dispute into an electoral issue.

Nevertheless, he claimed that military conflict had been avoided by the "care" with which his government had handled itself diplomatically and politically.

"We would accept a United Nations presence with us on the islands to guarantee the rights of all the inhabitants, which must be safeguarded... of course we would like this period to be as short as possible, but it would last for as long as necessary to reassure the inhabitants of the islands that their

Democrats lay plan for presidential campaign

BY NANCY DANNE IN WASHINGTON

DEMOCRATS, still jubilant about recapturing Senate control in the mid-term elections, met over the weekend in Washington to lay plans for a 1988 presidential race with their candidate backed by a unified party.

Mr Paul Kirk, the Democratic national chairman, urged the potential presidential candidates to renounce "negative, polarising and party-bashing campaigns." He said he would draw up a 1988 campaign code, which would be discussed with candidates and other party leaders.

Democrats, he said, must "demonstrate the guts and the discipline to govern our own business" if they hope to retake the presidency.

Without debate, the national committee approved the allocation of 4,153 delegates votes among the various states. About 15 per cent of the votes will be awarded to voters, senators, senators and representatives, who will not have to pledge their support on the basis of primaries, caucuses or convention results.

The "regular" could conceivably swing the nomination in a close race.

Reagan 'not going to fire anyone'

BY STEWART FLEMING, US EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday angrily rejected suggestions that he should fire any top White House advisers and admit that he had made a mistake in order to defuse continuing criticism of the Administration's decision to secretly send arms to Iran.

The President declared: "I am not going to fire anyone." Asked if he would concede that his dealings with Iran were the mistake most observers in Washington say it was, Mr Reagan responded forcefully: "I am not going to lie about that. I didn't make a mistake."

Mr Reagan's comments came hours before a scheduled meeting with his top foreign policy advisers to discuss the US Middle East policy in the wake of the recent disclosures that Washington broke its own arms embargo against terrorist states and shipped arms to Iran.

Bernard Simon on a drive to lure film-makers to Canadian locations. Hollywood looks north of the border

CALGARY Police Constable

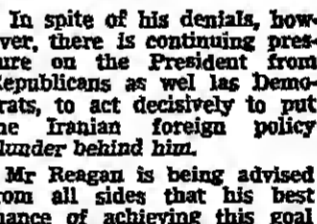
Bernard Simon is no longer a stranger on the set of the US television action series Stingray. His job, cordoning off Calgary's streets and keeping sightseers at bay, is only one of the services offered by the Police Constable's new Movie Liaison Unit.

Across Canada, such units are being set up to smooth the way for the many foreign film makers who have discovered that Vancouver, Calgary, Toronto or Montreal have more to offer than Hollywood, New York or London.

The Ontario Film Development Corporation estimates that spending on foreign film productions in the province soared from C\$46m (£23m) in 1985 to C\$102m in the first ten months of this year, covering about 30 feature and television films. Foreign film budgets in British Columbia have also doubled in the past two years, with 26 titles (excluding commercials) shot in Vancouver alone since the beginning of 1986.

Canada has provided settings for films as diverse as Rocky IV, Superman III, Hearts of Fire, the successor to Charlots, (a new Walt Disney production called The Liberator) and some episodes of the long-running US TV soap opera General Hospital.

Provinces and municipalities have become regular advertisers of their services in Holly-



wood magazines and are making a point of visiting major film festivals around the world. They are offering help in the selection of suitable locations, film crew recruitment and even hotel accommodation.

Mr Dima Neufeld of the British Columbia Film Commission says: "One year every-one needs horses and Western towns. The next year they want police stations and hospital emergency rooms."

The production houses are attracted by more than the scenery for which Canada is famous. The weak Canadian dollar, plant trade unions, and lower pension contributions by employers are the main draw-cards. US filmmakers also appreciate Canada's geographical proximity and the familiar customs and lifestyle.

Mr Don Carmody, producer of The Big Town, a Martin Ransohoff production currently

publicly that the White House has not sought advice from Congressional Republicans on the issue. Republicans fear that if unchecked, the Iranian controversy could lame the President and have an adverse impact on the party's prospects in the 1988 presidential and congressional elections.

Three of Mr Reagan's top advisers—Donald Regan, the White House Chief of Staff, Vice-Admiral John Poindexter, his National Security Adviser, and Mr George Shultz, the Secretary of State—are mentioned as possible candidates for resignation.

Mr Shultz is now seen to be vulnerable following charges last week by Mr Robert McFarlane, who quit last year as National Security Adviser, that Mr Shultz knew more about the Iranian operation than he says he did and has been disloyal in trying to distance himself from it.

coincides with growing concern among Canadians about the threat of foreign—especially US—culture to their own identity. Two Canadian television networks agreed in mid-November to screen significantly more locally-made programmes in return for having their licences extended by Government regulators.

But Canadians also appear to recognise that a film shoot brings a welter of benefits to the local economy. The producers and cast of the seven episodes of Stingray shot in Calgary spent an estimated C\$15m in the city, providing work for people from taxi drivers to trainee beauticians at the local technical college.

Mr David Parker of Calgary's Economic Development Department is enthusiastic about the new business. "If they tear up the green grass of a park, they put it back better than it was before," he says.

The British Columbia Government is so convinced of the benefits that it is reviewing a wide range of policies in a bid to improve the province's attractiveness to film makers.

Producers are already able to hire locally almost all the technicians, make-up artists and other skilled personnel they need compared with less than half their requirements three or four years ago.

For the time being, British Columbia, Alberta and Quebec seem to have the edge in the competition for foreign film shoots.

Doubts surface over Brazil's economic austerity measures

BY IVO DAWNAY IN SAO PAULO

THE reaction of Brazil's economists and businessmen to last week's austerity package has been sceptical, with several commentators suggesting that efforts to avoid penalising the poorer classes would mean continued overheated demand and shortages.

In particular, serious concern was voiced over October's trade figures—the worst since 1982. Mr Dilson Fumaro, the Finance Minister, had warned at his Friday press conference that the monthly outcome would be a surplus of between \$200m and \$300m.

The official figure, published shortly afterwards, showed a surplus of just \$210m, against average monthly trading returns of \$1bn. The year-end total, originally projected to be a surplus of \$12bn, is now expected to be nearer \$10bn—barely \$1bn over the sum necessary to service interest on Brazil's US\$107bn foreign debt.

The collapse of the trade position is attributed to the

substantial rise in food imports, exporters' efforts to first supply burgeoning demand in the home market, and an increase in remittances by foreign companies.

But there is little in last week's adjustment to February's anti-inflationary Cruzado Plan that suggests this downturn is likely to be rapidly reversed. Doubts also continue over the state of Brazil's foreign reserves, which are strongly rumoured to have taken a fall in the last three months.

The austerity package has done much to dampen the euphoria that followed the landslide victory of the Brazilian Democratic Movement Party (PMDB)

Fed proposes curbs on real estate activity

BY IVO DAWNAY IN SAO PAULO

THE Federal Reserve Board has proposed a rule that would allow bank holding companies to engage in real estate activities but place strict limitations on the extent of those activities, Reuters reports from Washington.

The proposal would require bank holding companies to conduct real estate investment activities through non-bank subsidiaries and would require them to be well capitalised.

The proposal would limit the size of real estate subsidiary investments and require them to be charged off against the banks' capital requirements.

But the board said it is willing to consider allowing these units to engage in real estate activities as long as they are subject to the same capital charge as directly operated real estate subsidiaries would be.

The Fed board said the restrictions were aimed at insulating bank holding companies from the risks associated with real estate investment.

UK NEWS

Terry Dodsworth looks at efforts to put high-tech ideas into practice

Priming the pump of innovation

THE FOCAL point of the latest official report on the UK high-technology industries is a simple and by no means original proposition. Britain, says the IT 86 Committee study, is much better at coming up with new ideas than at putting them into practice; its research is much stronger than its follow-through.

For whatever reason, it is manifestly the case that the UK's excellent record in research and invention has not, at least in recent times, been consistently matched by an equivalent in products, in developing invention into products, and in marketing those products, or indeed in applying them to create further wealth.

The new report proposes a series of response to this hoary old problem:

If this approach to the marshalling of aid is accepted, it will mark a significant evolution in the present UK research programme in the information technology (IT) sector.

The current £350m being invested in the Alvey scheme on IT - the business of storing, manipulating and communicating information - is going mainly into research projects, particularly activities aimed at bringing universities and industry closer together.

Earlier this year, the Alvey Steering Committee, now half way through its five-year existence, appointed Sir Austin Bide, former Glaxo chairman, to head the IT 86 Committee to look at what to do next to foster the UK industry.

The conclusion of the committee, made up of industrialists and academics, undoubtedly reflects Sir Austin's preoccupations. He comes from one of the few sectors of post-war British industry - pharmaceuticals - which can claim to have been consistently effective in translating research into successful products in global markets.

Presenting the report, he emphasised the need to "get things together" in the UK IT sector - to translate the research breakthroughs into saleable products.

To attack these issues, Sir Austin is recommending that the Government put £250m of new funds into IT. Industry will be expected to contribute slightly more, bringing the total to more than £1m, of which half will go into "application"

schemes under which specific new products would be developed for markets identified by users.

The committee's rationale for demanding these funds runs roughly as follows. First, IT has a dramatic impact on the national economy, feeding into industries across a broad spectrum. But it is also an area developing so fast that a "laissez-faire" approach will not suffice.

The crucial steps to be taken, says the report, are to "add exploitation to invention, and 'market pull' to technology push."

The "pull" aspect of the proposals relates to the most innovative element of the committee's plans - the application of schemes designed to bring products to market with the help of user groups.

As a general principle, the report suggests that application schemes should "capture the requirements of the end user and match those to what is possible in terms of technology." It suggests a number of possible areas of activity, including, for example, electronic fund transfer systems, or "safe" software - fail-safe software control mechanisms for use in such applications as railway signalling or nuclear plant control.

Second, the committee argues that the world market environment is not working in favour of British or European companies.

The report notes that IT is already an area where there is severe distortion of the market by foreign governments giving help to indus-

Investor watchdog stands by doctrine

By Nick Bunker

BANKS and building societies have suffered another setback in their fight with the Securities and Investments Board, the UK's new investor protection body, over the controversial doctrine of polarisation.

The SIB upheld the doctrine yesterday in a letter replying to banks' requests for a change in its policy. Sir Kenneth Berrill, the SIB's chairman, said polarisation was "essential to minimise the scope for conflicts of interest" that could otherwise hurt investors.

"I know that some of these conclusions will be unwelcome to the banks, as they will be to some extent to the building societies," he added.

The SIB, backed by Government officials, wants to apply the polarisation doctrine to the marketing of life assurance and unit trusts. It says people who sell them must be clearly identified either as fully independent intermediaries, or as representatives of a single company. The aim is that a customer "should know whether or not he is being given independent advice."

Banks and societies have claimed that polarisation would damage the quality of service they can give to customers. They argued that it would limit the range of products they could sell, and restrict consumer choice.

Early reactions from the industry were cautious. The Committee of London and Scottish Clearing Banks said it would issue a response after due consideration, but felt it would need clarification of some of Sir Kenneth's language.

The Building Societies Association said it was "obviously disappointed," but pointed out that the SIB still had to do lots of "nuts and bolts" work on its conduct of business rules, and that they had not yet been cleared by the Office of Fair Trading.

But Mr Roy Brimblecombe, deputy chairman of the Life Insurance Council of the Association of British Insurers, said the council was "naturally pleased" that the SIB had upheld polarisation. Leading British life offices have felt that to water down polarisation now would make nonsense of the industry's moves to reform life assurance marketing practice.

Call for sterling target within EMS structure

BY PHILIP STEPHENS, ECONOMIC CORRESPONDENT

A STRONG call for the Government to adopt an explicit exchange rate target in order to reintroduce coherence into British economic policymaking was made yesterday by an independent committee of leading academics and businessmen.

In a report published by the Public Policy Centre, the committee said that the target should balance the need to control inflation with the need for an exchange rate sufficiently competitive to sustain a revival of manufacturing industry.

The urgency of adopting such a strategy was strengthened by the fact that sterling's value against other leading currencies was now close to a level at which those aims might be achieved, the committee said.

It was chaired by Lord Croham, chairman of Guinness Peat, the financial conglomerate, and formerly Permanent Secretary to the Treasury. The report was introduced yesterday by Mr John Williamson, a senior fellow at the Washington-based Institute of International Economics.

Mr Williamson said that the present Government's strategy of combining an unannounced exchange rate policy with an explicit public borrowing target "does not amount to a coherent macroeconomic policy."

A majority of the 11-member committee believed that the target for the pound should be set within the framework of full membership of the European Monetary System, with the wide 6 per cent fluctuation limits at present operated by Italy.

Once sterling was in the system the Government should operate a policy designed aimed at holding the real exchange rate roughly constant over time.

In those circumstances full membership of the EMS would not simply be a substitute for a monetarist anti-inflation strategy, nor would it necessarily imply subordinating British policy to that of West Germany's Bundesbank.

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Beecham gets clearance for anti-arthritis drug

BY TONY JACKSON

BEECHAM has received UK clearance to market nabumetone, its new anti-arthritis treatment. The drug, known by the brand name of Reliflex, has previously been available only in the Republic of Ireland.

Nabumetone, which belongs to the class of drugs known as non-steroidal anti-inflammatories (NSAIDs), is thought to be a potentially important product for Beecham. City of London analysts said it could have sales of up to \$200m in five years' time.

It has two chief advantages claimed over most other NSAIDs. First, it is a once-a-day treatment, in common with only one other NSAID - Feldene, from the US drug group Pfizer.

Second, it is claimed to avoid the problems of heartburn and stomach acidity caused by many NSAIDs. Beecham said this was because the

drug had been designed to be acid-producing only after it had passed through the stomach.

Some NSAIDs have been withdrawn in the past because of more extreme side-effects, the best-publicised instance being Opren, from the US drug company Eli Lilly, which is alleged to have caused deaths in the UK.

Beecham said nabumetone, which is to be licensed for both rheumatoid arthritis and osteoarthritis, had been delayed in reaching the market because of caution over possible side-effects. It was also licensed last week in West Germany.

Beecham said: "This is an important drug for us. We are aiming to branch away from antibiotics, and this is the first major step in that direction."

Banking group backs scientific research

BY PETER MARSH

INVESTORS in Industry (3i), the banking group, announced yesterday a new initiative in commercialising scientific research. The group is joining forces with Imperial College, London, to form a company to exploit inventions from the academic institutions.

A third partner in the new company, called Imperial Exploitation, is Research Corporation, a UK-based concern which helps academic establishments to develop commercial strategies. Research Corporation is owned by 3i, while Research Corporation is owned by a US technology-transfer foundation.

The announcement comes as more universities and colleges in Britain show interest in trying to find industrial backers for scientific and technical ideas. Imperial College, part of London University, is one of

Britain's biggest centres of technology research and already has strong links with industry.

According to Professor Eric Ash, rector of Imperial College, the new organisation will "add a new dimension" to the institute's efforts to interact with industry. He said that the expertise in the commercial world of 3i and Research Corporation should complement the research skills of the college.

Imperial Exploitation will aim to find companies which want to license inventions from the college. It will also advise academics who want to start their own companies and try to increase the flow into the college of research and consultancy work for industry.

The chief executive of Imperial Exploitation is Dr David Thomas, the recently appointed director of industry liaison at the college.

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FT COMMERCIAL LAW REPORTS

Writ against Canadian company is restored

SPILLADA MARITIME CORPORATION V CANSULEX LTD
House of Lords (Lord Keith of Kinkel, Lord Templeman, Lord Griffiths, Lord Mackay of Clashfern and Lord Goff of Chieveley): November 11 1986

A FERRON seeking leave to serve a writ on a foreigner out of the jurisdiction on the ground that English law is the proper law of the contract sued upon, must show that the English court is the appropriate forum. And in deciding whether it is appropriate, the court may have regard to the fact that litigation involving the same lawyers and experts, and requiring their education in the same technical knowledge is already proceeding before it, and that their experience and knowledge would contribute to the efficiency expedition and economy of the case.

The House of Lords so held when allowing an appeal by ship-owners, Spillada Maritime Corporation, from a Court of Appeal decision (FT, March 12 1985) reversing a judgment of Mr Justice Staughton who refused an application by Canuslex Ltd, shippers of cargo, to set aside leave granted to Spillada to serve proceedings on them out of the jurisdiction.

LORD GOFF said that the ship-owners were a Liberian corporation. The shippers, Canuslex, carried on business in British Columbia as exporters of sulphur.

The ship-owners chartered the Spillada to an Indian company, for the carriage of sulphur from Vancouver to India. They alleged the cargo was wet when loaded and as a result caused severe corrosion and pitting to the holds. They claimed damages from Canuslex.

They obtained leave to issue and serve a writ on Canuslex outside the jurisdiction under RSC Order 11 rule 1(1)(f)(iii) on the ground that the action was brought to recover damages in respect of breach of a contract governed by English law.

Canuslex applied for leave to be set aside. The application came before Mr Justice Staughton while a very similar action was proceeding before him concerning a ship called the Cambridgehire. In it the owners claimed for damage allegedly caused to their vessel by a cargo of sulphur loaded at Vancouver.

In that action Canuslex, who had been served with proceedings outside the jurisdiction, applied for leave to be set aside. Mr Justice Staughton dismissed the application, holding that the case was a proper one for service out of the jurisdiction. There were no less than 15 counsel in the

Cambridgehire action, each equipped with 75 files.

In the present case, having concluded there was a good arguable case that the ship-owners and Canuslex were parties to a contract governed by English law, the judge considered whether it was a proper case for service out of the jurisdiction. He concluded that the test was whether the English court was shown to be distinctly more suitable for the ends of justice.

He said Canuslex featured as defendants in the Spillada and the Cambridgehire actions, and were represented by the same solicitors and counsel in both. The ship-owners were different in the two actions, but were represented by the same solicitors and counsel.

He considered the factors influencing the choice between an English and a Canadian court. The English court was regarded as crucial was the "Cambridgehire factor" relating to preparation for very substantial proceedings.

He said the ship-owners' solicitors had already made all the dispositions and incurred all the expense for trial of the Cambridgehire action in England, and had engaged English counsel and educated them in the various topics on which expert evidence would be required. They had also engaged English expert witnesses and assembled vast numbers of documents. They had also, no doubt, educated themselves on the issues in the action. All that had been done on behalf of Canuslex as well.

"It would be wasteful in the extreme of talent, effort and money if the parties to this case were to have to start again in Canada," said the judge. He held it was a proper case for service out of the jurisdiction.

The Court of Appeal considered the judge attached too much importance to the Cambridgehire factor and allowed Canuslex's appeal.

On the present appeal the ship-owners submitted that the Court of Appeal, which had accepted that the judge had applied the correct test, went beyond its limited power to review the exercise of his discretion.

In cases where jurisdiction was founded as of right, ie where the defendant was served within the jurisdiction, he might apply to the court to exercise its discretion to stay the proceedings on the ground usually called *forum non conveniens*. The question was not one of convenience, but of suitability or appropriateness of the relevant jurisdiction. It was wiser to avoid use of "convenience" and to refer rather to the "appropriate" forum.

The present law was:

(1) The basic principle was that a stay would only be

granted on the ground of *forum non conveniens* where the court was satisfied that there was some other available forum having competent jurisdiction, which was the appropriate forum for trial of the action - ie in which the case may be tried more suitably for the interests of all the parties and the ends of justice.

(2) In general the burden of proof rested on the defendant to persuade the court to exercise its discretion to grant a stay.

If the court was satisfied that there was another available forum which was *prima facie* the appropriate forum, the burden would then shift to the plaintiff to show there were special circumstances by reason of which justice required that the trial should take place in this country.

(3) It was pertinent to ask whether the fact that the plaintiff had, *ex hypothesi*, founded jurisdiction as of right in accordance with the law of this country, of itself gave the plaintiff an advantage.

(4) Since the question was whether there existed some other forum which was clearly more appropriate, the court must first look for connecting factors. Those would include convenience or expense, the law governing the relevant transaction, and the places where the parties resided or carried on business.

(5) If the court concluded at that stage that there was no other available forum which was clearly more appropriate, it would ordinarily refuse a stay.

(6) If it concluded at that stage that there was some other available forum which was clearly more appropriate, it would ordinarily grant a stay unless there were circumstances by reason of which justice required that a stay should not be granted.

The applicable principle in Order 11 rule 1 cases was stated by Lord Wilberforce in *Amin Rasheed* [1984] AC 29. He said: "The intention must be to impose on the plaintiff the burden of showing good reason why service of a writ calling for appearance before an English court should, in the circumstances, be permitted on a foreign defendant. In considering this question the court must take into account the nature of the dispute, the legal and practical issues involved, such questions as local knowledge, availability of witnesses and their evidence and expense."

That bore a marked resemblance to the principle applicable in *forum non conveniens* cases. It was desirable to identify the distinctions between the two. First, in Order 11 cases the burden of proof rested on the plaintiff, whereas in *forum non con-*

veniens cases that burden rested on the defendant.

A second and more fundamental distinction was that in Order 11 cases the plaintiff was seeking to persuade the court to exercise its discretionary power to permit service on the defendant outside the jurisdiction.

Third, special regard must be had for the fact, stressed by Lord Diplock in *Amin Rasheed* at page 65, that the jurisdiction under Order 11 might be "exorbitant." The burden was the onus of that applicable where a stay was sought of proceedings started in this country as of right.

The mere fact that the plaintiff had a legitimate personal or juridical advantage in proceedings in England could not be decisive. The underlying principle required that regard must be had to the interests of all the parties and the ends of justice.

In the present case the judge's approach was in accordance with the applicable principles. The question was whether the Court of Appeal was entitled to interfere with the exercise of his discretion.

Anyone who has been involved as counsel in very heavy litigation of this kind, with a number of experts on both sides and difficult scientific questions involved, knew only too well how much information and knowledge had to be absorbed by the whole team as they learnt about the interrelation of law, fact and scientific knowledge.

The judge in the present case had considerable experience of litigation of this kind and was well aware of what was involved.

He was entitled to take the view that having experienced teams of lawyers and experts available on both sides, who had prepared for and fought a substantial part of the Cambridgehire action for Canuslex and for the relevant owners, would contribute to efficiency, expedition and economy.

It was not simply a matter of financial advantage to the ship-owners. It was a matter which could and should properly be taken into account in a case of this kind, in the objective interests of justice.

The appellate court had simply formed a different view of the weight to be given to the various factors and it was not, therefore, an appropriate case for interfering with the exercise of the judge's discretion. The appeal was allowed.

Their Lordships agreed.

For the ship-owners: Kenneth Rokison QC and Nicholas Leigh-Jones (Holman Fenwick and Willan).

For Canuslex: Robert Alexander QC and Peter Goldsmith (Linklaters and Paines).

By Rachel Davies Barrister



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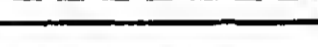
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Pru-Bache set for legal test of bid ruling

BY DAVID GOODHART

NORTON OPAK, the fast-growing Yorkshire-based printing company, appears finally to have won control of the far larger printing group McCordquodale after an intense eight-month battle.

Norton last night formally declared its £150m bid unconditional after the Full Takeover Panel refused to support a claim from Prudential-Bache, advisers to the rival management buy-out, that panel rules had been broken by a supporter of the Norton bid.

However, the issue is not yet fully resolved. Pru-Bache said that the buyout would now seek a judicial review of the Panel ruling. It is expected to seek an injunction first in order to freeze the bid.

This legal challenge to the Panel was denounced by Mr Clive Chalk of Samuel Minton, advisers to Norton OPAK, who said: "We cannot deplore too strongly the action of a newcomer to this market who has decided to reject our system of self-regulation because the decision doesn't appeal to him." Pru-Bache is a subsidiary of the Prudential Corporation of America.

The argument of the buy-out team is that institutional investors participating in highly success-oriented underwriting - such as that arranged for Norton's bid - should be regarded as having a vested interest in the bidder winning and should therefore be classified as acting in concert with the bidder. The issue was raised because Pru-Bache believes that the Kuwaiti investment office KIO - one of Norton's "new" underwriters - was buying shares at 315.5p to the final days of the bid. Norton's cash alternative was 300p and if the KIO was classified as a concert party it would not have been allowed to buy above that price.

Mr John Holloran, McCordquodale chief executive and leader of the buy-out, has written to Mrs Margaret Thatcher, Prime Minister, Mr Paul Channon, Secretary of State for Trade and Industry and Sir Nicholas Goodison, chairman of the London Stock Exchange, to press the buy-out's case.

A spokesman for the buy-out said last night: "Why should one shareholder buying at 315p at a crucial moment be able to force everyone else to settle for 300p? The amount of time the Panel took to come to its decision clearly indicates that there was some doubt over the question of concert underwriters." The management buy-out was offering 315p a share.

The buy-out team fear that they have raised a new issue of principle which the Panel may address in the near future by amending its rules but meanwhile leaving Norton the new masters of McCordquodale.

Pru-Bache will also lose more than £1m if it is forced to accept Norton's 300p cash offer as it has bought more than 6m McCordquodale shares at more than 315p. McCordquodale last night closed unchanged at 300p, and Norton closed unchanged at 130p.

Representatives of the 800 workers at the Llanelli plant, who are also planning a bid of their own for the profitable business, complained yesterday that Sir Robert Clark, chief executive of merchant bankers Hill Samuel, who is handling the sale, is also chairman of IML, which owns 75 per cent of Marston Palmer, the Llanelli plant's main UK rival.

Marston Palmer is a Yorkshire-based maker of radiators and heat-exchange equipment. A merger with Llanelli Radiator would create a company with 60-70 per cent of UK radiator manufacturing capacity which could be concentrated at Marston Palmer's site.

Sir Robert, who is also a director of Rover Group, Austin Rover's parent, said yesterday that he had nothing to do with corporate finance. He yesterday that knew nothing of any IML interest in buying Llanelli Radiators. "If they did want to purchase, they would not consult me. They would know there was a conflict of interest. And if they did try to consult, I would tell them not to come near me," he said.

On his directorships of both Hill Samuel and Rover Group, Sir Robert said that Hill Samuel was the motor manufacturers' formally appointed financial advisers. The question of possible conflict of interest was therefore a regular occurrence.

"But I have nothing to do with the advice that is given by Hill Samuel's corporate finance department. They do not come anywhere near me," Sir Robert stressed.

Adding to local anxiety over the impending sale is a feeling that Hill Samuel has allowed potential buyers of the business insufficient time to prepare their purchase offers. The company is being offered for sale by tender and offers have to reach Hill Samuel by December 12.

Llanelli Radiators, which makes heat exchangers and seat frames as well as radiators, could attract widespread interest. About half its £20m annual turnover comes from customers outside the Rover group, including the new Nissan motor assembly plant in the north-east of England.

The Nissan contract in particular has encouraged local hopes that a Japanese motor component manufacturer might bid for the plant in order to establish a European base - providing it has sufficient time to prepare its tender.

Other potential buyers are thought to include General Motors, which has only one other radiator manufacturing plant in Europe, and Hanson Trust which, through its Industries subsidiary, owns another local motor vehicle heat-exchange manufacturer - Delanair at Ammanford, a few miles from Llanelli.

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Kevin Brown looks at the loss of a Greek-owned ore freighter off the coast of Ireland

Government orders inquiry into shipwreck

THE HONG KONG-registered ore and oil carrier Kowloon Bridge was breaking up off the coast of County Cork last night as the British Government announced an inquiry by technical experts into the cause of its loss.

Lieutenant-Commander Rory Costello, captain of the Irish naval vessel Aciffe, said the ship had broken its back and was leaking small amounts of fuel oil.

The accident brought renewed calls for an inquiry into structural problems suffered by sister ships of the Kowloon Bridge, but initial reports from experts indicated there was no direct connection with previous incidents.

The Kowloon Bridge ran aground at Sligo Head rocks early yesterday after drifting unmanned in stormy seas after the loss of its rudder on Sunday. The crew of 28, mostly Turkish and Indian nationals, were airlifted to safety by Royal Air Force helicopters.

The 190,000 tonne deadweight ship had earlier taken refuge from heavy seas in Bantry Bay, off the south coast of Ireland. The ship was on a voyage from Canada to Clyde-side, Scotland, with a cargo of iron ore.

The ship is understood to be owned by Greek interests, but no comment was available from its London agents, Zodiac Maritime Agencies.

There have been frequent calls from the British seamen's unions for a full inquiry into problems suffered by the six ships of the Bridge class built by Swan Hunter in the north-east of England between 1971 and 1978.

One of the ships, the British-owned Derbyshire, sank with the loss of 44 lives in the Pacific in 1980. Two years later, the crew of the Tyne Bridge, now renamed East Bridge, were airlifted from the North Sea after cracks developed. There have also been reports of smaller problems with the other three ships of the class.

The Transport Department has repeatedly refused to hold a formal investigation into the loss of the Derbyshire because of the lack of either survivors or wreckage. A Department of Trade (DoT) report published earlier this year suggested, however, that the loss could have been caused by cracks in the area of an important bulkhead.

The ship's officers' union, Namsat, said yesterday that it was a "scandal" that the loss of the Derbyshire had never been the subject of a full inquiry, and claimed a proper investigation could have identified faults which would have prevented the loss of the Kowloon Bridge.

"There do seem to be very serious defects in these ships. The whole series of six ships cannot withstand serious weather conditions," the union said.

In the House of Commons, Mr Bob Hughes, Labour's transport spokesman, reminded ministers that the Government had powers to order an inquiry into the sinking of any vessel involving the loss of British lives.

Earlier, Mr Roger Stott, Labour's shipping spokesman, said it was clear that the Bridge class ships had a history of structural problems. Demands from Labour MPs for a government statement were ruled out of order, however, by Mr Bernard Weatherill, the Speaker.

In a statement issued later, Mr Michael Spicer, the Transport Under Secretary, said the Kowloon Bridge had been inspected by DoT technical experts before leaving Bantry Bay, and initial reports suggested that the damage it had suffered was "entirely consistent" with the effects of force 10 and 11 gales in the Atlantic.

This was confirmed by Lloyd's Register, the independent ship inspection society, whose experts also inspected the Kowloon Bridge in Bantry Bay.

Lloyd's Register said in a statement that the damage sustained did not affect the structure of the bulkhead that was highlighted in the DoT report on the Derbyshire.

The society said the cause of the accident appeared to have been the loss of steering equipment, which had never been suggested as the cause of the Derbyshire sinking.

"We just don't know what happened to the Derbyshire, but the speculation has been along different lines. The two casualties are entirely dissimilar," the society said.

Swan Hunter said yesterday that it had no records of the construction of the Kowloon Bridge or its five sister ships because they were built before the company was nationalised by the last Labour government in 1977.

The ships were built between 1971 and 1978 in Swan Hunter's Hawerton Hill yard, which was subsequently closed while under the management of British Shipbuilders.

The yard was not included in the sale of Swan Hunter to the private sector, and responsibility for the ships is understood to remain with British Shipbuilders which has followed normal practice in insuring against potential claims.

Mr Timothy Walker, the lawyer acting for British Airways told a public hearing at the CAA yesterday that Sabena, now operating the service for British Airways, of a "series of unlawful acts" in their joint operation of a service between Gatwick Airport, London, and Atlanta in the US.

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Contest for £600m acid rain contracts

COMPETITION for an initial £600m worth of contracts to cut the sulphur output of Britain's power stations has heightened following an agreement which gives the John Brown engineering and construction company access to technology used by General Electric of America.

With General Electric Environmental Services claiming a large share of the present world market for power station gas cleaning equipment, John Brown is hoping to win contracts in some of the three big coal-fired power stations which the Central Electricity Generating Board (CEGB) is planning to "clean up" as its initial contribution to combating acid rain pollution.

The CEGB has already received approaches by several other major companies, some of which have entered technology agreements with companies in Japan or the US, where "acid rain" treatment of power stations is well advanced. They include:

- Dabco Corporation of the UK
- Northern Engineering Industries, offering a Mitsubishi system
- Babcock Power, with access to Hitachi technology
- Foster Wheeler, and IHI (Ishikawajima-Harima Heavy Industries)

Midland Bank Group has brought together its investment management operations, which had been scattered around the group, into a single business unit - Midland Montagu Asset Management. Midland said the move was designed to enable it to re-enter the market in a big way, following its sale of Montagu Investment Management (MIM) to Actua Life & Casualty last year. Actua has since sold MIM to Britannia Arrow.

A joint venture between the BTR group's National Tyre Service and BHA-owned Automotive Products is poised to present the UK's traditional franchised garage trade with another major new competitor to the car servicing and repairs sector. Trading as National Auto, the joint-venture company has as its target a national network of over 200 centres to carry out fixed-price car servicing and parts replacement.

Mr Larry Whitty, the Labour Party's general secretary, yesterday reacted angrily to the breakaway Union of Democratic Mineworkers' decision to go ahead with plans to field an independent candidate in the Mansfield constituency at the next general election. Recognising the threat that a UDM candidate could pose to Labour in one of the key Midlands seats, he said: "Mining communities threatened with job losses will be best served by the return of a Labour government. This decision will only be to the detriment of mining communities in Nottinghamshire."

UK accused of taking isolated European stance

BY ROBERT MAUTHNER

LORD COCKFIELD, vice-president of the European Commission, yesterday accused British and British politicians in particular, of isolationism in their attitudes towards Europe.

"There is always the assumption that the way we do it in Britain is best," Lord Cockfield said in a speech to the Institute of Cost and Management Accountants in London. Even the construction of the Channel Tunnel was seen in Britain only as the opportunity for the employment of additional customs and immigration officers.

Lord Cockfield emphasised that the way to deal with many of the economic and other problems facing the nation was not to man the barricades against our fellow European citizens, but to find the most cost-effective way of dealing with these problems.

Europe now accounted for 50 per cent of Britain's total exports, a figure half as great again as it was when the UK joined the European Community in 1973.

"To us, Europe is our land of opportunity, but it is not enough that Europe should offer us the opportunity. We need - perhaps desperately - to rouse and bestir ourselves."

Lord Cockfield emphasised that one of the most negative aspects of the EEC in the 1970s had been its failure to complete its internal market. Although that concept hardly sounded exciting, it certainly embodied an inspiring project: the welding together of the economies of the 12 member states into a single European economy.

Lord Cockfield recognised that the performance of the Community's Council of Ministers in creating a single European market had fallen far short of their proclaimed aims. Much more needed to be done if the verdict of history on the present generation of European heads of government was to be positive.

Pru seeks huge City redevelopment scheme

BY DAVID LAWSON

ONE of the biggest redevelopment schemes ever seen in the heart of the City of London has been proposed by the Prudential Corporation, Britain's largest property investor.

It aims to tap the rising demand for space following the Big Bang deregulation, by clearing a whole block of buildings put up hardly more than 30 years ago and creating 600,000 sq ft of offices worth more than £600m. It will be the City's biggest property asset.

The site, between Great Tower Street and Fenchurch Street, along Mincing Lane about half way between Monument and the Tower, contrasts with similar grand developments springing up around the fringes of the City and as far away as Docklands. Financial companies have been pushed out to these fringe areas through lack of space in the traditional City core to accommodate computerised operations and big dealing floors.

"Extensive market research shows that demand for City space now and in the future will remain buoyant," says Prudential Portfolio Manager, contradicting some reports that too much space could come flooding on to the market in the 1990s.

About 130 tenants have been served notices, and a planning application is being prepared for submission in the new year. The developer says it has had "positive reaction" from preliminary talks with planners and none of the buildings is listed.

The planned move of the main tenant, Customs & Excise, to the South Bank and remaining leases structured to allow clearance for redevelopment should help speed the plans. The Pru hopes to be on site by 1988 and offering space by 1990.



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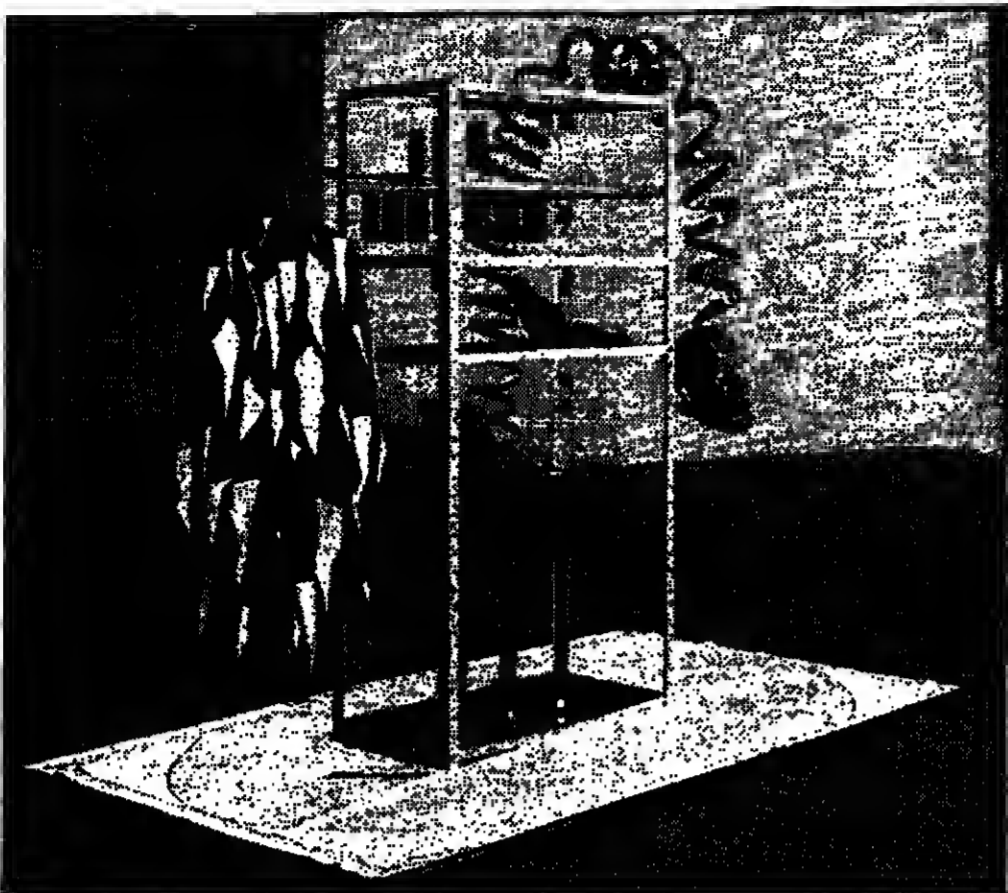
25 November 1986

THE ARTS

Tate Gallery/William Packer

Under starter's orders for the Turner Prize

The Turner Prize, the November Handicap of the art world, is with us once again to round off another season with a little wry fun and perhaps some mild excitement.



Second favourite: Bill Woodrow's "Self-Portrait in the Nuclear Age"

Art & Language, behind which nom de plume lie the identities of Michael Baldwin and Mel Ramsden who ran in harness.

take by which their impenetrable, jargon-loaded prose and their blankly obscure paintings and reliefs defy all scepticism on the grounds of the sceptic's simple failure to understand.

as much upon the theory and polemic that underwrite his work as upon its visual manifestation. His socio-political critique, with text elegantly set against photographic image if not always so elegantly put, has always been nicely judged to win him a safely fashionable radical regard.

and unstable foundations of masculine desire in and for such images." Ob dear. In major recent exhibitions of his latest work, the intellectual pretension has been no less but the realisation emphatically more visual and, in its way, accomplished.

Second favourites in 1984 (when the outsider, Malcolm Morley came in), they must start clear favourites this time. Should they win, they will confirm the pattern set by Howard Hodgkin last year, who won at his second attempt, and set the judges an awkward precedent besides—how can the rest of us accept in such circumstances that the race was truly run? The problem has a further twist this time for, given this field, Gilbert and George really do deserve to win, if only for the several major exhibitions of their work that have been sent abroad in the past two years.

Derek Jarman, who trained as a painter but whose reputation rests entirely on his work as a maker of admittedly remarkable films—Caravaggio, Sebastiane and others. As a painter, to judge by the facile multiple work he shows here, he should never be allowed to win or we would refer the stewards to the Jockey Club, and odds of 500-1 would be ungenerous.

Victor Burgin is another runner whose reputation rests as much upon the theory and polemic that underwrite his work as upon its visual manifestation. His socio-political critique, with text elegantly set against photographic image if not always so elegantly put, has always been nicely judged to win him a safely fashionable radical regard.

stolid, dead-pan manner, he has now seen the critical orthodoxy come to meet him. But whether he has the class to win in this company is another question. Not altogether without a chance and a nice appearance but unlikely to get the trip, though he may just hang on if something happens to the others.

Thank you, Captain. Well, there it is: G & G to win with something in hand from Woodrow, with McKenna and Burgin several lengths behind and Art and Language and Jarman tailed off. We shall see. The only point to make in conclusion is that what could be a genuine contest falls to the very simple reason that it has yet to be offered anything more than a two- or three-horse race.

The Turner Prize exhibition remains at the Tate until December 7.

Abbado/Barbican Hall

Max Loppert

Amid the undifferentiated blur of this season's London Symphony Orchestra programmes at the Barbican, Sunday's concert stood out with beacon brightness. It was devoted mainly to Debussy whose music Claudio Abbado conducts with unflinching distinction—and for both this conductor and this conductor's best form, Debussy finds his best form.

The special acuteness of Abbado's Debussy lies in its balance of perspectives. The timbre never goes soft, yet equally the atmospheric niceties of scoring are never brushed aside, Boulez-fashion, in the elucidation of structure; the attention paid to blends and contrasts of orchestral timbre is not clinical.

Dorati/Festival Hall

Dominic Gill

Dorati is a very urbane conductor of Brahms: his concepts are above all for clarity and cogency, and smooth practical musical sense. Unexpected tremors rarely ripple the surface of his performance. Dorati's Brahms is sound, solid and predictable—a perfectly legitimate view, not by any means prosaic, or lacking in energy, but more invigorating than exciting, allowing plenty of volume at climaxes, but nothing so unseemly as a positively crackling high-voltage charge.

most aggressively, uncommunicative, and his adagio was withdrawn into another dimension, another sound-world entirely—haunting in its close, hermetic embrace. The finale was like a Brahms finale remembered in a dream: its energy drawn from something long ago, and very far away.

Two promising new Rings in Frankfurt and Turin

Perhaps, at last, Germany has a Ring worthy of the 1980s. The new Frankfurt production—conducted by Michael Gielen, staged by Ruth Berghaus and designed by Axel Manthey—has now reached Siegfried, an evening that amply fulfils the promise of last season's Rheingold and Walküre. The cycle will be completed next March, but it is improbable that the production will survive the change of regime at the Frankfurt Opera next season.

Misc Berghaus clearly loves Siegfried: she sees such humanity in it, is able to trace the march from naivety to manhood so naturally, and makes words and relationships the basis of her exegesis rather than pretty stage pictures. So there are no trees, no smith's tools and bellows, nothing indeed to stop the proceedings from appearing as anything but pure theatre. Yet the production's visual images are fresh, potent and appealing to the imagination. In the opening scene of Act three, in which Wotan is rebuffed by both Erda and Siegfried, how many other stagings could get away with only a raked white platform, a gaping circle at its centre, against a pitch-black background?

This production does get away with it on almost every count, by virtue of its faultless ensemble and its determination to use every move and gesture to deliberate effect, like a descendant—albeit a rather

frivolous one—of the abstract German productions of the 1950s and 1960s. Manthey, too, plays on the ring-shape, not as a platform but as a circular void. It is at its most effective in Act 1, where it symbolises the gateway to the world from Mime's den, cracking open when Siegfried figuratively smashes the anvil; there could be no more striking picture of youth's release from the bounds of childhood, as the orchestra hammers home its excited crescendo.

Each member of this excellent cast, especially the Wanderer with his foot-warming routine at the hearth during Mime's questioning, brings to life the Berghaus line in humour—this Ring is certainly no Germanon—and she has a knack of coming up with disarmingly simple solutions for the problems that have tripped others over the years: the dragon, for example, is a mammoth cut-out of human nose and mouth, which Siegfried enters while the music describes the fight. Only the bear seems old hat. For the Woodbird, Gielen has sanctioned a trope from the Tilerknaben, whose stage appearance, fitting around Siegfried's clumsy path, is entirely justified. Berghaus is still preoccupied with sign language, not always illuminating, but there is less extraneous detail than in her other productions.

Her much-vaunted psycho-analytical treatment of the characters would appear lop-

sided, were it not for the stature of Gielen's conducting, which is at one with the stage. The attention to words and taming of the orchestra to give the dialogue its due is superbly judged. It is a very clean account, quite fast, but with none of the smoothed-over contours of Boulez. Much of the score I heard for the first time: it was one of those performances, in which the conductor's contribution to this Ring will be remembered, for his courageous artistic policy, his elite ensemble preparation and exemplary pacing of the music.

Siegfried is sung by William Cochran, a heroic Bunter figure who develops from tubby schoolboy to a credible match for Brunnhilde, able to clasp her at the final curtain with the confident rapture of maturity. Cochran conveys a touching sense of wonder and has a winning stage presence. His timbre is very acceptable and his stamina quite unflinching: after all those lame Bayreuth Siegfrieds of recent years, it is a relief to hear this splintered performance, surrounded by the established virtues of Heinz Zednik's Mime, Adalbert Waller's Alberich, Wolfgang Probst's Wanderer and Catarina Ligendza's Brunnhilde.

Andrew Clark

years has not fared well here. Luchino Visconti planned a production for La Scala, but it had to be cancelled because of the strike. The project was then taken up by Luca Ronconi, with Pier Luigi Pizzi as designer: two operas reached the stage in Milan, then that Ring moved to Florence, where the Teatro Comunale staged the other half of the cycle. But Pizzi's sets were so unwieldy that it was then impossible to mount the whole cycle at one time; and none of the operas has been seen there since.

So the announcement of a new Ring at the Teatro Regio in Turin was immediately welcome. And now that the production has got under way, with a Rheingold now on view, it looks as if Italy will have a sensible, agile Tetralogy, which can travel in the future to other theatres in the country. In the spring Die Walküre will be staged here; next season, the other two operas will be added to the Turin calendar.

Though Wagner is surely no stranger in Italian opera houses, the Ring in recent

beautifully conveyed. The Ring is simple (nice to see again, swimming as they sing); Niebelungen is less successful (the devil's look as if they came from a Turin factory, right off the assembly-line). The costumes are more prizing, less coherent. The Nebelungen and the Giants resemble children's book illustrations. Erda seems a little more appropriate, and the Gods in general are rather too elegant for their rough surroundings. Alberich and Mime are convincing dwarfs, grotesque and vivid.

Hartmut Welker, the Alberich, is also the most impressive member of the cast. Despite an attack of lumbago he is appropriately, and sings with dark menace and welcome musicality. Graham Clark, the Mime, is also impressive (it is to be hoped that he will continue to sing the role as the Ring goes on).

Among the goddesses Marga Schiml stands out as Fricka, young and attractive and vocally authoritative. Arturo Venesio Erda has less impact, but Lucy Peacock is a sweet and effective Freia. The Rhine maidens—Stella Doz, Camilla Ueber-

schaer, and Czeslawa Slania— are well-chosen and blended well. Facing a considerable challenge, the Turin orchestra plays well, under Pesko's sober guidance. Sometimes a bit more emphasis, a greater variety of colour, a real display of power would be welcome (the first appearance of the gold had no magic). But, by and large, this Ring promises well. De Bosio's staging has some awkwardnesses; it, too, lacks magic at crucial moments. But it tells the story in a fairly straightforward, intelligible fashion, without frescos glosses. The Wagnerians of Turin—and there seem to be a lot of them—are lucky.

William Weaver

'Heart to Heart' at Battersea

Heart to Heart, an alternative cabaret performance, will be held on December 10 at Jongleurs, Battersea, in memory of Mark Bobinski, who used to organise cabarets in Islington but who died last September after a heart operation.

with Marc Chagall and Thomas Beecham; appearances in the grandest theatres of the west and in makeshift auditorium in the Philippines; battling against curious odds to dance Giselle, and creating ballets with what seems every major choreographer during her career—these are some of the elements of an exceptional story which is linked to more than 200 photographs.



Alicia Markova

AT THE age of two, the baby Alicia Marks perched on her father's shoulder, playing support for Arsenal. She was also watching the swans on the lake in Clissold Park, North London, and coming events might be said to be casting their shadows on her. At the age of 14 she was a member of Diaghilev's Ballet Russe, and renamed Markova. Six decades on from this baptism in the Russian Ballet, Dame Alicia looks back in a volume of memoirs, Markova Remembers (Hamish Hamilton, £12.95) and tells of the extraordinary career of one of the greatest dancers of this century. Diaghilev's world seen through the eyes of a brilliant young girl; the birth of British ballet as known by one of its vital figures—work

with Marc Chagall and Thomas Beecham; appearances in the grandest theatres of the west and in makeshift auditorium in the Philippines; battling against curious odds to dance Giselle, and creating ballets with what seems every major choreographer during her career—these are some of the elements of an exceptional story which is linked to more than 200 photographs. I must declare a certain interest in that Dame Alicia records that I urged her to set down these memories; I could not bear that unique insights about ballet, with which she enthralled me, should not be permanently fixed for history. So here they are, and they are fascinating. CLEMENT CRISP

Alternative opera in Vienna

In a radical move to attract new audiences the Vienna State Opera will next year produce an "alternative" programme of modern opera, ballet and musical theatre in Vienna's Kunsterhaus-T 2 at 6.

Announcing the programme, Mr Claus Helmut Drese, the State Opera's new director, stressed the experimental character of the idea, which has the enthusiastic support of Claudio Abbado—the State Opera's musical director—and of the producers. "It is an experiment with new music, new effort and a new public," he said.

There will be works by established composers as well as works by lesser known artists. Programmes in the Kunsterhaus will not shy away from controversial ideas, Mr Drese said. The programme starts in January with the Austrian premiere of Udo Zimmermann's opera Die Weiss Rose which tells the story of two sisters living in Munich during the war and of their opposition to the Nazi regime. Other productions include Die Nachtigallen, a chamber opera by Peter Ronnefeld, ballet with music from Werner Pirchner, Lieder evenings with songs from Ernst Krenek, Arnold Schoenberg, Cehra, Schwertlitz, Urbanner and music end songs in homage to Erik Satie and Stravinsky.

Patrick Blum

Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Opera and Ballet

NEW YORK

Metropolitan Opera (Opera House): The week features I Puritani conducted by Richard Bonynge in Sandro Secchi's production with Joan Sutherland, Sabina Kreuzer, Sherill Milnes and Samuel Ramey; Romeo et Juliette conducted by Placido Domingo with Cecilia Gaudier, Der Rosenkavalier conducted by Jeffrey Tate in Nathaniel Merrill's production with Anna Tomowa-Sintow, Brigitte Fassbender, Taro Ichihara and Gottfried Honeck; and Tosca conducted by Garcia Navarro in Franco Zeffirelli's production with Eva Marton, Placido Domingo and Hala Taji. Lincoln Center (302 6900).

WASHINGTON

Washington Opera (Opera House): Goya by Gian Carlo Menotti is performed by Placido Domingo, for whom it was written. Using historical fact and romantic fantasy, it recounts the affair between the painter and the Duchess of Alba, the model for the Goya portraits, played by Victoria Yergova, with Karen Huffstodt as her rival, Queen Maria Luisa. Rafael Fruhbeck de Burgos conducts. The week also includes performances of Il Matrimonio Segreto staged by Michael Hampe and the Cologne Opera with Carlos Felber as Gerusalemme and Janice Hall as Elisabetta. Arnold Bestman conducts. Kennedy Center (204 3770).

CHICAGO

Lyric Opera: Un Ballo in Maschera is conducted by Giuseppe Patane, in

November 21-27

Sonja Fricelli's production with Maria Chiara and Luciano Favaretto. Edita Gruberova takes the title role and Neil Shifford sings Edgardo in director Peter Bettschneck's production of Lucia di Lammermoor conducted by Charles Mackerras (332 2244).

NETHERLANDS

Amsterdam, Muziektheater, Netherlands Opera production of Der Kreidekreis by Alexander von Zemlinovsky, directed by Herbert Wernicke. The Hague Philharmonie conducted by Stefan Soltes with Stella Klein-dienst, Hebe Dijkstra, Maarten Fijpe and René Claassen (Thu, Thur), (265 4655).

SPAIN

Barcelona: Götterdämmerung (The Twilight of the Gods) part of the Ring of the Nibelungen Orchestra conducted by Pinchas Steinberg with Williams Johns, Anthony Raffell, Manfred Schenk, Jeanine Atmeyer, Sabine Haas, Yvonne Min-ton and Josef Dene. Gran Teatre del Liceu, La Rambla 65. (318 91 22). (Tue and Thur).

LONDON

Royal Opera, Covent Garden: The new production of Jenůfa marks Bernard Haitink's arrival as music director-designate. Yury Lyubimov is the producer, and the cast is led by Ashley Putnam, and Eva Randova. The revival of Die Zueberhöre is notable for the first London Tennino of Siegfried Jerusalem.

WEST GERMANY

Berlin, Deutsche Oper: Aktin has Irena Tokolova in the title role for the first time. Orestes is offered with Janis Martin, Ruthild Eggert, Gerd Evers-

Advertisement for MDM GENEVE watches. The image shows a large, detailed watch with a metal case and a dark dial. The text 'MDM GENEVE' is prominently displayed at the bottom of the watch face. Below the watch, there is smaller text: 'MONTRÉS MDM S.A. GENEVE - 44, RTE. DE DIVONNE, CH 1263 NYON - TEL. (0202) 62 19 70'.

J.P. 11/25/86

11/25/88

111



"Good Luck"
Sid Barry,
Driver, Ipswich.

"Good Luck"
Sid Hunt,
Driver,
Bury St. Edmunds.

"Good Luck"
Sid Williams,
Driver, King's Lynn.

"Good Luck"
Sid Young,
Chargehand, Neath.

"Good Luck"
Sid Cherry,
Driver, Uxbridge.

"Good Luck"
Sid Pearce,
Calor Centre Assistant,
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FINANCIAL TIMES

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Tuesday November 25 1986

Moral pressure in the market

THE DECISION by Barclays Bank to sell its South African interests at a knock-down price to protect its main business in Britain and the US has already been greeted by anti-apartheid politicians as a victory, and so, in one sense, it is. It does not seem to be likely to do any noticeable damage to the South African system; on the contrary, it has provided a potential siege economy with a sophisticated and now independent banking system on the cheap. Since it has been bought by interests controlled by Mr Harry Oppenheimer, it can reasonably be expected that it will continue to argue the case for reform through good employment practices; but so do companies like Shell, which has so far resisted the clamour for withdrawal. Everyone concerned in these contrasting decisions objects to apartheid; they differ, if at all, on how best to bring pressure against it.

Certainly such considerations are becoming steadily more important, and especially in the British and American markets. In the consumer market a mixture of medical and humanitarian pressures is creating new demand for whole, organically grown foods, cosmetics made without animal testing, and the like—a trend which seems to be further advanced in the UK. Ethical considerations are also beginning to become important in the capital markets. This is especially marked in the US, where pressure from college students and other groups has played an important part in persuading the money-centre banks to withdraw from South Africa. In the UK the emergence of a number of "ethical" unit trusts evincing drink, tobacco and defence as well as political periahs may well be a portent.

Dangers clear

Within each domestic market, this kind of pressure seems on balance likely to do good. It increases the rewards of corporate good citizenship, and imposes extra penalties on such corporate "crimes" as pollution and adulteration. It is in essence an extension in other fields of the consumer movement which, although widely regarded in its early days as a nuisance, has undoubtedly helped to improve quality, reliability and fitness for purpose in many products.

Furthest advanced

While some economic purists may deplore the introduction of non-economic values into buying decisions, there seems nothing inherently objectionable in this trend. The whole merit of the market system is that it is the best system yet devised for recording and satisfying consumer preferences, and if these preferences rank the rights of minorities, or humane farming, alongside the elegance of a design, or the palatability of a strawberry flavour, it does the customers nothing but credit.

Paradox in Austria

VOTERS in Austria have delivered a paradoxical verdict on social and political consensus, one of the mainstays of the country's postwar culture. No fewer than 85 per cent of the votes were divided, fairly evenly, between the Socialists (SPO) and the conservative People's Party (ÖVP), who since the 1950s have been the chief political partners in this consensus. But parties outside the club, principally the Freedom Party (FPÖ), did better than ever before.

The case against the grand coalition is simple and reflects the case that can always be made against consensus. It is that, once jointly established in power, the two big parties will share out the spoils and skate around the real problems. Something of the sort did happen in the closing years of the original grand coalition. But it should not be forgotten that over many years it served Austria well as the country developed from a war-torn large agricultural state into an industrial power of some standing and of great prosperity.

A resumed grand coalition also conjures up the prospect of a greatly enlarged protest vote for the FPÖ when the next elections are held. Dr Jörg Haider, the party's leader, has indeed produced some stridently nationalist tones, but it would be quite wrong to think of the party as even remotely neo-Nazi except for a handful of incoherencies. Besides, it has a large "liberal" that is, free market oriented section.

Tax privileges
The lesson for the two big parties is that they can best prevent a further upsurge of the protest vote by sticking to their steadily proclaimed intention to tackle the deep seated problems facing Austria with determination—even at the cost of temporarily losing support. Modding on will help nobody except the real mischief makers.

A basis for co-operation has existed between the two big parties ever since Dr Franz Vranitzky, a Socialist banker, took over as Chancellor in the summer. He rescued his party from impending electoral disaster by stealing some of the ÖVP's not very radical free market clothes. It is common ground that the rampant budget deficit needs to be curbed by a reform abolishing many tax privileges and that state-owned industry must get back into profit even at painful costs to the work force. Precisely how all this is to be done will give rise to much argument, but with goodwill and a refusal to be sidetracked the problems need not be insurmountable.

Strident tones
Less pressingly, but in the end no less important, discussion has sprung up on whether Austria should seek a closer relationship with the European Economic Community than the existing agreement providing for mutual free trade in industrial goods.

On the face of it Austrian neutrality would present serious

BARCLAYS AND SOUTH AFRICA

High risks and low returns

NO MATTER how much Barclays Bank ascribes other reasons to it, the decision announced yesterday to pull out of South Africa will be seen as a major capitulation to world opinion, and as such one of the most important victories yet for the anti-apartheid lobby in the battle for political change in the Republic.

Barclays, which once owned outright Barclays National (Barnat), the largest bank in South Africa with ties dating back more than half-a-century, is selling its remaining 50 per cent stake worth over £200m on terms that will yield it a mere 58m after tax, once the profit has been repatriated.

The decision marks Barclays' final retreat from its argument to world opinion that the apartheid controversy—that it could do more to help South African blacks by staying than by leaving.

Sir Timothy Bevan, the bank's chairman, insisted yesterday, in one of the bank's packed meeting rooms adorned with oil paintings of his predecessors, that the reasons are "basically commercial." But he went on: "There is also no blinking the fact that our business has been affected by our South African involvement." And he conceded that "world opinion certainly is important because it affects commerce."

In pure profit terms, it is unlikely that Barclays has suffered to any enormous extent. The most damaging effect of the anti-apartheid campaign's sustained assault probably has been the loss of student accounts. Barclays' share of this market has dipped from 25 per cent to 17 per cent, implying a loss of future rather than present business. The bank has also lost the accounts of several political bodies, like local government authorities and academic institutions in the UK and the

US. But these must be small beer for a group with assets of £7.5bn.

Much more damaging has been the constant political battering the bank has suffered, and the expense in management time and effort this has entailed. Its annual meetings became the occasion for noisy harangues by protesters, and its senior executives suffered constant harassment. On top of that, the South African association is bound to have raised questions about Barclays' acceptability in the new markets it is targeting, particularly in North America.

Gradual disengagement from South Africa has been an objective of Barclays for some years. This process had already seen its stake in its South African subsidiary fall from 100 per cent to just over 40 per cent.

But last May, according to Sir Timothy, the bank's board

representative offices in Hong Kong, Zurich, New York and London.

The bank also hopes that its close connections with South Africa's most important mining, financial and industrial conglomerates, with extensive overseas investments, will foster its future growth as a totally South African-owned bank.

At first glance, a major foreign divestment of this kind would seem a body blow to the government in Pretoria. In principle, the South African government is against divestment, and recognises that new investment—and access to technology—is needed to raise growth to the 5 per cent needed to make a dent in unemployment. The government's financial managers are well aware that the

cut-off in new investment and the need to repay its \$2.2bn of foreign debt severely limits the scope for economic growth. South Africa has already repaid over \$700m of foreign debt over the last 22 months and the need to run a payments surplus to do this is the biggest single brake on growth.

Psychologically the lengthening chain of multi-national pull-outs from South Africa also undermines its growing international isolation. There is underlying tension at the awareness that the country is now on a ratchet, facing a process of cumulative divestment and trade sanctions.

But far from forcing Pretoria to speed up the pace of apartheid reform, its reaction to international pressures thus far has been to beat the

feeling at its Lombard Street headquarters must be one of relief that the deed is done, even if on unattractive terms. The view in the City yesterday was certainly upbeat. Barclays shares soared on the stock exchange, and analysts said the bank would now be much better placed to expand internationally.

Standard Chartered, which owns 89 per cent of Stanbic, the country's second largest bank, said yesterday that it had no plans to reduce that stake. But it now becomes by far the largest foreign banking presence in South Africa, and, as such, uncomfortably conspicuous.

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DISINVESTMENT: the league table

US/CANADA
GM
IBM
*FORD
BATA
UTAH INTL
MOTOROLA
GENERAL ELECTRIC
UK
BARCLAYS
PRUDENTIAL ASSURANCE
LEGAL & GENERAL
*COMMERCIAL UNION
*HILL SAMUEL
*TURNER & NEWALL
MOALPINE
EUROPE
ALFA ROMEO
RENAULT
*Partial divestment only

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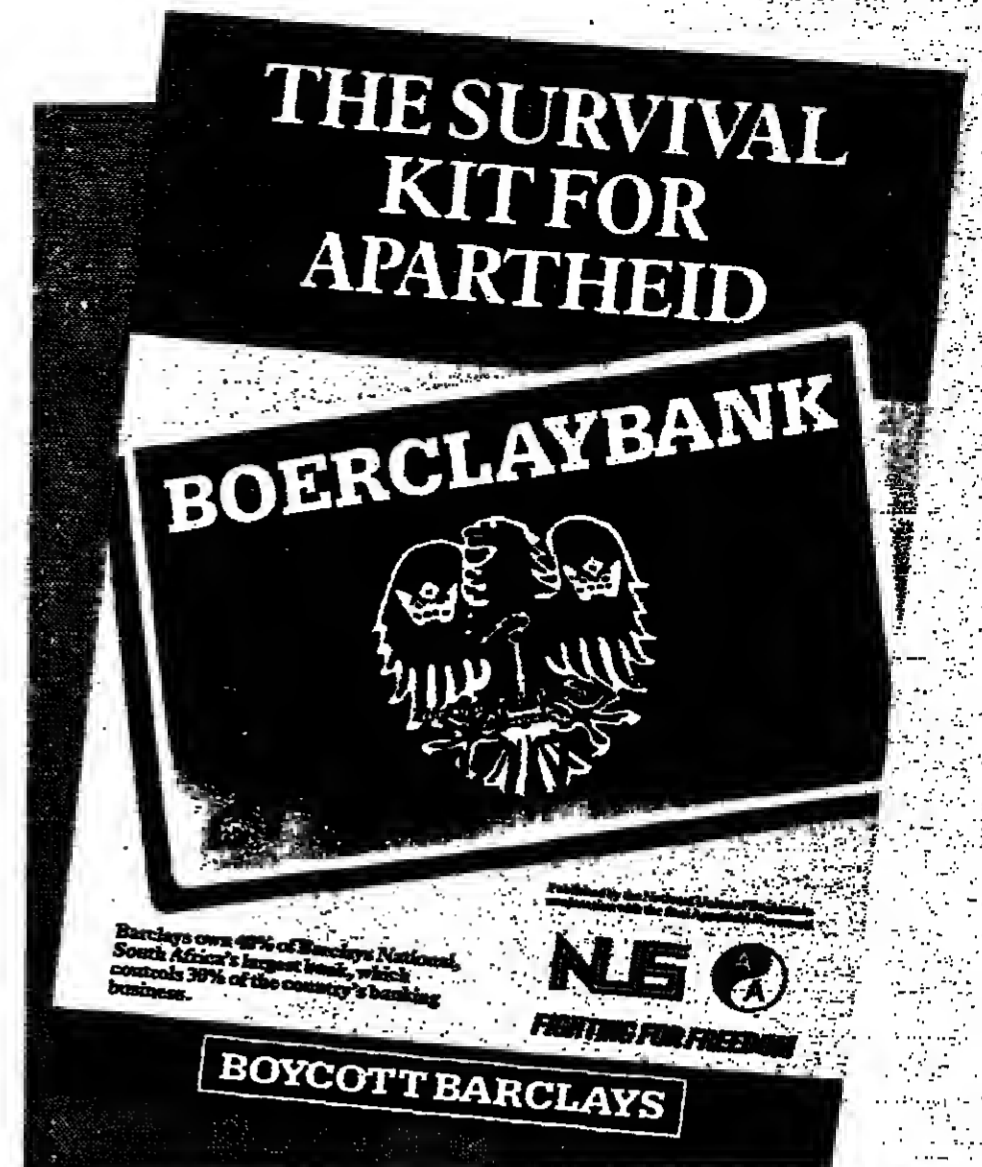
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An example of student propaganda produced with the Anti-Apartheid Movement.

'PRETORIA IS QUIETLY DELIGHTED'

R16.96bn which produced a net income of R107.2m in the nine months to September.

In effect South Africa has managed to buy back some of the lush acres of the proverbial farm for a long-coveted of the anti-apartheid movements abroad. In future the R100m or so in dividends which flowed back to the UK parent, through the higher commercial rand, will remain within South Africa.

Senior bank executives insisted yesterday that no jobs would be lost, the company would continue with its black advancement and social programmes as before, and that prospects for future growth had been enhanced. In future, Barclays National will no longer be restricted in its overseas operations and could upgrade its present

representative offices in Hong Kong, Zurich, New York and London.

The bank also hopes that its close connections with South Africa's most important mining, financial and industrial conglomerates, with extensive overseas investments, will foster its future growth as a totally South African-owned bank.

At first glance, a major foreign divestment of this kind would seem a body blow to the government in Pretoria. In principle, the South African government is against divestment, and recognises that new investment—and access to technology—is needed to raise growth to the 5 per cent needed to make a dent in unemployment. The government's financial managers are well aware that the

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Benedetti's eyes on Britain

Carlo De Benedetti, the Italian financier and entrepreneur, is fast becoming a household name in France. After setting up a French holding company six months ago and launching a number of headline-catching deals—the latest is his association with fashion designer, Yves Saint Laurent, in a successful \$650m bid for Charles de Rougemont, the chairman of the family figure in the normally closed world of the Paris financial establishment.

He has now been accepted nationally with a prime time appearance on French television's "7 sur 7" programme, commenting on the week's news, including the murder of his friend, Georges Besse, of Renault; the current wave of takeovers on the Bourse; and Mrs Thatcher's visit to Paris.

De Benedetti did not seem very impressed by Mrs Thatcher's economic policies. He was impressed by her gutsiness, but said he disagreed since he did not think that Britain could ultimately rely on services.

But if De Benedetti seemed cool towards the Government's economic policies, he nonetheless appears to have his sights fixed on the UK. After establishing his second base, after Italy, in France, the chairman of Olivetti is understood to be looking closely at investment opportunities in the UK and Spain.

Britain has just re-exported one of its more unusual high tech imports—Australian Ian Dier, who is to become vice-president in charge of US operations at Wang Laboratories, the US word processing and computing company.

Men and Matters

which Dier now heads, have been growing more rapidly than its recently troubled US business. It is a measure of Dier's success in Europe that a major US company has appointed a non-American to run its US operations.

Dier does not think he will have any problems as an Aussie in America. Australian businessmen are enjoying a golden age abroad at the moment, he reckons.

And he points to the experience of An Wang, the Shanghai-born founder of Wang. "He's done pretty well as a naturalised American."

As managing director of Prudential Portfolio Managers he has kept a beady eye on the company's financial situation. He has taken stakes in. "You might say my interventions, although always discreet, have not always been entirely welcome," he says.

The kind of pressure he and fellow fund managers exert rarely becomes public knowledge. But I do remember his role in the matter of investor dissatisfaction with the Rank Organisation's top management a few years ago.

Findlay is a life-long Pru man. He joined the actuarial side of the business straight from school. He saw the light, he claims, after three years, and transferred to the investment side where he has worked for 20 years apart from a short secondment to Equity Capital for Industry.

Findlay agrees it is unusual

to find a senior manager from the insurance sector moving into stockbroking. But he points out engagingly: "With almost my entire career having been in corporate finance I probably know less about insurance than the average man-in-the-street."

The reverberations of Norman Tebbit's recent attack on BBC "bias" continue—and it is in the hands of some producers in the corporation's TV Current Affairs Department in London that appear to be trembling.

There were anxious moments at BBC TV's offices in Shepherd's Bush yesterday, only hours away from the screening of last night's Panorama film on the Falk-

lands, as those responsible for it sought guidance "from upstairs" as to whether it was sufficiently balanced.

A Panorama producer strenuously denied that he was subjecting himself to pre-censorship by 10 Downing Street. But he did concede that he was worried about the "Colonels"—an apparent reference to the hard right of the Conservative Party—"choking over their whiskies."

The rough cut of the film gave ample space to the views of President Raul Alfonsín, his people, and Argentina's allies inside the Labour Party. But final editing was held back until the BBC crew had rushed in statements from Sir Geoffrey Howe, the Foreign Secretary.

So intent was Panorama on being at least seen to be fair that an extra minute was added to the programme's normal running time in order to accommodate Howe.

That it should be Panorama getting so hot under the collar is perhaps not entirely surprising. The programme makers still recall the Falklands War when they carried a whole programme dedicated to the Argentine view on the conflict.

Half of Fleet Street, led by Rupert Murdoch and egged on by Mrs Thatcher, accused the BBC of treason and the corporation's head, Sir Alasdair Milne, was hauled before the House of Commons and given a rough ride as he tried to explain the meaning of press freedom.

Card games
This year the Treasury Christmas cards (a non-inflationary 20p complete with envelope) bear a reproduction of a fresco "Good Government in the Country."
My Great George Street mole tells me that next year's theme is to be "Bad Government in the City."
And for Treasury people wishing to economise with their own money as well as the nation's, there are some of last year's cards still available at 15p each.

Observer

Letters to the Editor

Proposals for VAT on UK imports of works of art

From Mr G. Levy
Sir, Mr Antony Thornicroft rightly implies (November 22) that the proposed VAT on the National Heritage Memorial Fund is "a quite inadequate sum" with which to assist in the acquisition of works of art for the nation...

The national and university museums and galleries in this country would have to pay 15 per cent more for purchases than their American counterparts, without any possibility of a refund...

ment declares this intention today in the House of Lords, Mr Richard Luce, Minister for the Arts, has already explained in a letter released to the press on November 9 that...

poles is much wider than that of the art "trade" to which Mr Thornicroft refers, it also comes from such bodies as the Museums and Galleries Commission and the National Art Collections Fund...

Support for exports

From the Vice President, DTI Group, Society of Civil and Public Services

Sir, I would contest Christian Tyler's assertions in the survey of UK export services (November 17) that there was little evidence that any serious damage has resulted from the pruning of government support for exports...

declined disastrously from a deficit of approximately £2.5bn in 1980 to over £10.2bn in 1985 and after the first eight months of this year was already at £8.5bn...



English action in the 1760s

From Mr D. Wainwright
Sir, Why do the British so wantonly undervalue their own historic distinction in technology, manufacture and marketing?

Stodart took out a British patent for the "grand" piano in 1777; John Broadwood and his sons manufactured and marketed the British piano, making it world brand leader in the late 18th and early 19th Century...

Stirred by economic revival

From Mr J. Cooper
Sir, Having visited the industrial area of which Saint-Etienne is the centre many times in recent years and viewed a good many manufacturing plants there...

recent years completely refurbished the infrastructure with a most impressive large scale urban renewal programme and the provision of many new industrial estates.

Imitative behaviour and TV

From the Managing Director, Palmer Research Institute
Sir, Christopher Dunkley may have formed a rosy view of the influence of Stoke Poges during his formative years on the Slough Observer...

fraction is surely rooted in their education. When we reject 40 per cent of our children as academic failures it is hard to believe that this encourages either self-respect or respect for the society which so rejects them...

A constant programme

From Mr J. Macreadie
Sir, Your headline (November 21) issue was wrong and unrelated to the contents of the actual report. I am not, have never been and never will be "willing to adopt right-wing policies" as your headline stated...

members and conference policies. The right-wing will have to recognise my election (twice) as an endorsement of our conference policies. I hope they will work with me to carry out these policies.

Dogma vs pragmatism

From Mr L. Mellinger
Sir, Samuel Brittain (November 20) complains that conservatives who object to a "dictatorship" are strangely silent once back in office. There must be a better way, he concludes, than to be time-serving followers of a public opinion which is rudderless without a lead.

leadership is subservient to the inflexibility of these policies; hence the label "dictatorship." Public opinion, at best, is a "dictated" dictatorship of a manner...

When the shops are shut

From Mr J. Chevalier
Sir, I refer to Peter Bruce's impressions of Bonn which appeared in the survey (November 20) on West Germany. It seems to me that Mr Bruce has not been visiting this country where every shop everywhere

closes at 5.30 pm with the exception of shops kept by exotic people. For I must confess that living in London is wonderful for a foreigner.

Compensation and defective product liability

From the Deputy Director General, Confederation of British Industry
Sir, Your leader of November 18, on product liability, took a narrow and one-sided view of the Bill which the Government has now introduced.

ention that the manufacturer can insure himself against claims arising from strict liability. While the US experience of claims and awards is not likely to be repeated in this country overnight, there is quieting evidence that companies in some of the more vulnerable industries are not able to get all the cover they want and are having to face sharply rising premiums even now before the EC product liability directive is enacted...

hausted, there is self-evidently no other source from which the injured party can seek reparation. A financial limit to the amount of compensation payable for any set of claims against a manufacturer for a defective product is a far less attractive option than a properly framed development risks defence. In any incident where serious harm was done to a large number of persons, the financial limit would soon be reached; and the question would arise of how to apportion the available money...

technology. If that should happen, the losers will be the consumers who will see their choice narrowed, and those who would be employed in expanding businesses. I suspect that most consumers would be satisfied with the concept of the duty on manufacturers to supply products safe according to sound modern standards. CBI supported this duty, which is to be backed by criminal penalties, when the Government announced it in a White Paper two years ago. If it is clearly framed in the legislation, the new duty ought to reinforce safety and prevent injury—which is surely far better for consumers than compensation.

The Sinclair phenomenon

Midas who lost his touch

By Alan Cane



SIR CLIVE SINCLAIR seemed in June 1983 to be the very epitome of the New Elizabethan Technologist—innovative, buccannering and successful. Knighted by an admiring Mrs Thatcher, he was also named "Young businessman of the year," his profits guaranteed that the City was happy to include this Midas of the micro-chip. He had been right about calculators and computers. Perhaps he was also right about pocket television, wristwatch radios and electric cars.

An advanced home computer took an interminable time to reach the market. The pocket television failed to excite. And the electric car emerged as a somewhat ridiculous battery operated trica, sowing powerful doubts about Sinclair's competence in his investor's minds.

Finally, overwhelmed by debt and unsold stock, he was forced to sell his computers, patents and even his birthright, the Sinclair name. Mr Alan Sugar's Astrium scooped the lot for a mere £5m.

The fall of Sinclair is well documented. Explanations for why a company and an individual in which the government of the day had placed such faith and which seemed to represent the aspirations of an entire nation should have come to such a sorry pass are less easy to untangle.

Two computer journalists, Mr Ian Adamson and Mr Richard Kennedy, in a new study suggest the fault lay principally with Sinclair's obsessions. Far from being the prolific inventor of popular acclaim, they argue, Sir Clive had actually produced comparatively few ideas of value in his 30 years of professional activity.

Adamson and Kennedy make their points strongly, but for me their essay and their principal conclusion is spoiled by an undercurrent, running through the book, of pleasure at his downfall. Schadenfreude, as the immensely well read Sir Clive would no doubt delight in telling them.

So Sinclair's reputation as an inventor is open to doubt. By his own admission he is no businessman and the evidence from his shoddily constructed, unreliable products (witness the rate of returns on most of them), indicates he is no engineer. This is hardly the material of which myths are made. So what was at the root of Sir Clive's popular acclaim? It seems that the British public was willing to credit him with the kind of reputation he craved, because of a national willingness to believe in the brilliance of madcap inventors while affecting contempt for the professional engineer.

machine like a home computer. The semiconductor manufacturers have done all the work in designing and fabricating the chip. But it does take engineering skills of a high order to make such a product to the required quality and to the right price. Sinclair ensured that the price was right, but to do so he compromised the engineering so badly and so often that Sinclair became a byword for poor quality.

The evidence is unshakable. Calculators blew up in the pockets of their prestigious owners (one was a British ambassador) because Sinclair skimped on the quality of the metal connectors.

The CS, the disastrous electric trica, had a tendency to run out of juice at the first set of traffic lights. The most depressing aspect of the whole business is that Sir Clive has never shown any signs of learning from his past mistakes and the British public and its government has never shown any signs of graduating from its worship of the gifted amateur inventor to an appreciation of real engineering skills.

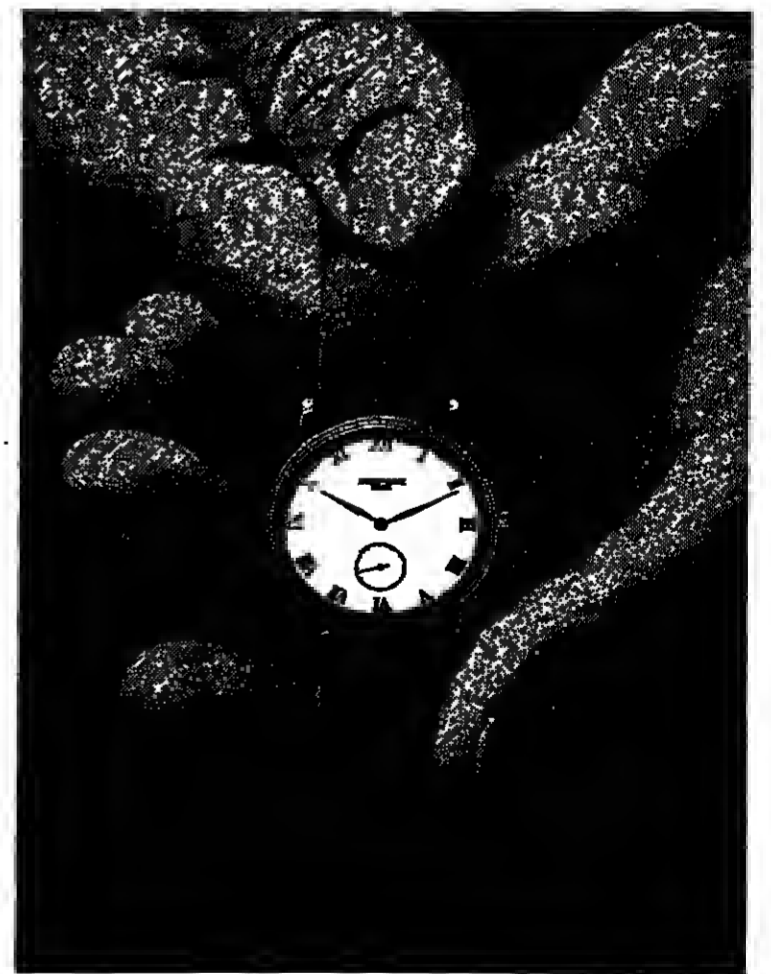
Sir Clive, indeed, seems quite irrepresible. Free of debt through the Astrium deal, he is working on a cheap portable pocket telephone (will it blow up in the pocket like his calculator?) He is planning a portable computer (will it run for more than a few minutes without a change of batteries?).

In his youth, Sinclair eschewed university, arguing that the electrical engineering courses then available had little to offer him. He was wrong. If he had learned little he did not already know about electronics he might have at least picked up some common sense engineering. The UK has always had talented inventors. Playing "Dr Who," the eccentric time-traveling scientist of television fame, is virtually a national obsession. It is the leap from talented hobbyist to professional engineer that is hard.

Sir Clive Sinclair still has to make that leap. In their turn, the British public and its government still has to understand and respect what is meant by professional engineering.

*Sinclair and the "Sunrise" Technology, Penguin Books, £1.95, paperback.

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FINANCIAL TIMES

Tuesday November 25 1986

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The Philippines armed forces chief has become a pivotal figure, writes Samuel Senoren

Ramos is crucial for Aquino's survival

WHEN Mrs Corason Aquino, the Philippine President, finally dismissed her Defence Minister on Sunday, she had no choice but to bank on the support of the armed forces under Gen Fidel Ramos, a man who had earlier said he shunned power politics.



Ramos: pivotal figure

The emergence of this alliance has effectively ended the honeymoon between Mrs Aquino and the left, which vigorously supported her bid less than a year ago to dismantle the regime of Mr Ferdinand Marcos, the deposed president. Gen Ramos now finds himself a pivotal figure in the survival of the Aquino Government.

250,000 strong armed forces needed to stage a successful coup were clearly under the control of Gen Ramos. It is not clear, however, whether the group was being used or was genuinely convinced that it could pull off a military takeover.

Suspicion of collusion in this shadowy play has fallen on the US, whose two large military installations near Manila have been bought into question by the left. Mrs Aquino's brother-in-law, Mr Agapino Aquino, claimed last week that the US Central Intelligence Agency (CIA) may have been behind the destabilisation efforts.

Whichever the truth of these allegations Gen Ramos had suddenly become a pivotal figure in the survival of Aquino.

By calling on this respected military figure to protect her Government from a possible coup, Mrs Aquino walked into an alliance which effectively isolated her from the left.

The appointment of Mr Rafael Nieto, Mr Enrie's deputy, as the new defence minister and, technically, Gen Ramos's new boss, can only have further alienated the left. Mr Nieto and Gen Ramos are both

Previously, military commanders had complained that they were not being consulted by Mrs Aquino's advisers when the plan to negotiate with the communists was hatched. Mrs Aquino's hope of enticing droves of rebels down from the hills with the offer of an amnesty and jobs has not been fulfilled and her declaration to terminate the negotiations if no ceasefire agreement is reached before the end of this month clearly showed the army's influence on her.

It is still possible that the National Democratic Front (NDF), the Communist negotiating team, may yet agree to a formal ceasefire, especially in contested areas where the military lacks credibility. But it is unlikely to honour it, and if the negotiations are terminated, the Communist New People's Army is bound to intensify its operations against military and government targets.

The military is also likely to have some influence on the shape of Mrs Aquino's new cabinet. Mrs Aquino dismissed her entire cabinet last week after demands by the military that she should sack some of her supporters.

changes including a possible replacement for the left-leaning Minister of Labour, Mr Sanchez, who was ordered back to Manila from an official trip abroad. There is speculation that at least four members of the cabinet may not be recalled.

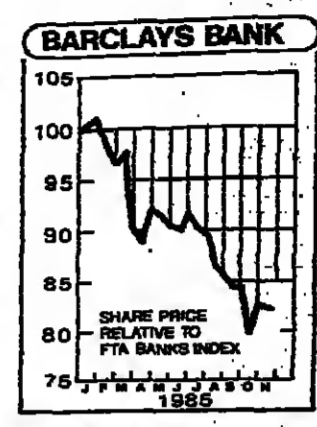
Mr Enrie is no longer believed to be a major threat to the Government, although he still has a following in the armed forces and in his home region in the north. He is likely to keep a low profile for now and stand for the senatorial elections in May, soon after the expected approval of the new constitution in February.

Mr Enrie, a veteran politician with a good reading of the public pulse, is unlikely to make any moves against Mrs Aquino while she remains so popular. But he will be watching and waiting for her to make mistakes.

Meanwhile he has served his purpose. Although he was dismissed from his post, it is arguable that he did not lose in the final analysis. The system he was fighting for, a strong anti-communist cause, has not only survived but may even have been strengthened.

THE LEX COLUMN

No cracks in Saint-Gobain



If one did not already know that the French Government had taken advice from Kleinwort Benson on the privatisation of Saint-Gobain, it would now be apparent. The sort of adjustments that characterised the British Telecom flotation have sailed effortlessly across the Channel. First, the price of FFR 310 is one which puts the underwriters at no risk whatsoever. There is a one for 10 bonus issue for those who hold the share for 18 months - half the period that qualifies for a good conduct medal in UK privatisations.

Yet the promotion of Saint-Gobain has thrown up some new devices that show that the French are by no means mere copycats. Domestic applicants can exchange holdings of government bonds for the equity, free of capital gains tax. And for good measure, Saint-Gobain managed to increase its forecast of 1986 net profits from FFR 1,250bn to FFR 1,500bn about 48 hours before impact day. At least there is no offer of discounts on glass bills.

The benefits of the restructuring of the past few years combined with reduction in the company's substantial short-term debt put the shares on a multiple of around nine times the earnings expected next year. This seems generous compensation for investing in a cyclical business, which as BTR has observed in the case of Pilkington, is on the upswing.

The shares are being offered at a premium of only FFR 3 to the suspended quote of the non-voting stock. There is an anti-competitive maximum shareholding of the kind stipulated in the UK privatisations. So a significant premium for enfranchisement is appropriate.

have lost much the same amount of capital downstairs as Smith.

In a way, it is a tribute to the robustness of the new trading system that it should so quickly break free of the floor. Telephone trading has become so much the norm, at net prices, that it may soon be time to worry about that other minority, the pure agency school of brokers.

If it was so easy to be wrong about one shibboleth, the floor, it is conceivable that there has been a start for regression in the bid-ask spread. When the institutional clients come round to reviewing their broking relationships - be it after three months, six months, or whatever - some famous names may feel the chill.

but loans of more than £500m outstanding to the ex-subsidiary would feel soon just like equity if the C&A went up in flames. In the long run, moreover, the circumstances in which Barclays might succeed in running off its loan book could be just those in which it would have been all right to hold equity in Barnat, after all.

Unigate

Unigate is gradually contacting the stockmarket of its improving merits. Yesterday's 5p share price fell to 31p was profit-taking after a run rather than dissatisfaction with interim figures which showed pre-tax profits up 27 per cent to £27.1m. In the light of this advance, a prospective yield of about 5 per cent and multiple of less than 11 are not asking a lot. Even stripping out the fannies - property profits of £2.6m, loss elimination from the sold Australia business, profits of £1.5m from newly-acquired Arlington Motors - the underlying growth rate is perhaps 12 per cent. That is not bad in a fairly static total food market, and quite good considering weak demand for liquid milk and red meat.

Even better is Unigate's steady redirection from commodity to value-added products. Low fat milk, for instance, now has nearly a quarter of the milk market, sells at a premium price and gives the producers more cream to play with. But for the glut of cream, margins would be even better. The consumers' switch to healthier foods looks set to continue, and Unigate, through its dairy products, juice and poultry activities, should benefit.

Despite the good first half, there is still much lying in wait for announcements including a shortage of milk for cheddar cheese, the dismal economics of Texas and Oklahoma hitting the restaurant chains and even the uncertainty over Airbus affecting the engineering business.

Nevertheless, Unigate's ability to churn out cash means it can afford £100m of capital expenditure, this year plus a fair number of moderate acquisitions, without raising gearing much from its under 10 per cent level. The removal of £55m of debt at high interest rates naturally helps. Though it will take a while to earn returns on that spending similar to those made by the rest of the group, it points to profits to come. This year a bit of luck and some more property sales could just get Unigate to pre-tax of £100m.

Barclays

That other withdrawal, of Barclays from South Africa, was a lot longer in coming than the retreat of Smith. Barclays had been under attack for its South African involvements for at least a decade before it started to become a questionable risk, still less a commercial embarrassment. It was probably a matter for regret in the Barclays boardroom that the policy of scaling down its control of Barnat brought a little return in the way of moral rehabilitation; if Barclays was to be fully sanitised, it evidently had to sell up and clear out. The relief must be overwhelming.

It was also worth 10p on the shares, or a bit less than 2 per cent, yesterday. Having taken a small book profit on Barnat - an investment so fully written down that it could scarcely be sold at a loss - Barclays must still wait to get its money out of South Africa. And it will need patience, too, in waiting for its cross-border lending to South Africa to decline far enough to be ignored; Barclays will no longer have any formal equity in Barnat.

Smith

Heroic resistance has its limits. Before October 27, nobody could tell for certain how large a proportion of Stock Exchange equity turnover was going to remain on the floor. There was certainly room for Smith Brothers' opinion that the reassurance of face-to-face contact at the jobbing pitch would encourage brokers to deal on the floor. There is no shame, therefore, in Smith's decision to move its dealers upstairs; it is simply the last of the major market-makers to withdraw from the old eye-balling arena. Because of their investment in electronic systems required for new-style trading on the floor, other market makers

Compaq to set up plant in Scotland

By James Buxton in Edinburgh

COMPAQ COMPUTER, the rapidly growing US computer manufacturer, announced yesterday that it is to invest £11m (\$22.7m) to set up a manufacturing plant in Scotland - its first in Europe.

The plant, which will make the full range of Compaq portable and desk top computers, will be established at Erskine, to the west of Glasgow. By 1990, it is expected to employ 350 people, with most of its output being exported.

Compaq is one of the fastest growing companies in the computer industry. After just over four years in business, it achieved sales last year of \$503m. It was one of the first computer manufacturers to accept the IBM personal computer as the industry's standard, but complements it with its own innovative features.

Compaq's decision to locate its European plant in Scotland was described yesterday by Mr Malcolm Hillard, the Scottish Secretary, as one of the most important investment decisions in Scotland in recent years. He said that it would considerably strengthen the Scottish electronics industry.

Mr Eckhard Pfeiffer, senior vice president of Compaq's international operations, said in Edinburgh yesterday that the company was setting up a plant in Europe to be closer to the European market, which was growing faster than that of the US.

He said the decision to locate in Scotland was partly market driven - the UK is the most developed personal computer market in Europe - and partly due to what he called the balance of financial and commercial advantage.

The Scottish Development Agency and its Locate in Scotland organisation, which convinced Compaq that Scotland was the best location for its European plant showed what he called "never-say-die persistence." The company, whose headquarters are in Houston, Texas also considered locating in West Germany, near its European headquarters, and in France.

Compaq will receive a regional development grant and selective regional assistance in amounts which were not quantified. Construction of the Compaq plant will start at the beginning of next year and the factory should be operating by next autumn. In the initial stages one-third of its staff will be graduates, the majority of them locally recruited in Scotland.

Two senior Intelsat executives suspended after auditors' alert

BY LIONEL BARBER IN WASHINGTON

TWO TOP executives at Intelsat, the international consortium which provides a global satellite communications system to 170 user nations, have been suspended on paid leave following an alert by Intelsat's auditors, PricewaterhouseCoopers.

The two officials are Mr Richard Colino, Intelsat director general and chief executive, and Mr Jose Allegretti, deputy director general for business planning and external relations.

In a brief statement yesterday, Intelsat's chairman, Mr Tadeshi Nishimoto, said he had received a letter from the auditors last week "raising questions concerning certain transactions."

Mr John D. Hampton, the Australian deputy director general for operations and development, has been designated as acting-director general of Intelsat.

Mr Colino, a former Intelsat chairman, is responsible for all aspects of the Intelsat satellite communications network. His association with Intelsat goes back to the organisation's birth in 1964.

Mr Allegretti, a Venezuelan, is the senior official responsible for policies on charges and for contacts with governments and signatories to the satellite system. He is also a former chairman of the Intelsat board of governors.

Intelsat, a non-profit organisation, owns and operates a satellite system which provides the network for two-thirds of the world telephone services and the bulk of international data transmission.

Its revenues in 1985 amounted to \$457m and its assets totalled \$1.8bn. PricewaterhouseCoopers replaced Price Waterhouse as Intelsat's external auditors this year. The auditors sent a letter to Mr Nishimoto on November 18 informing him of the transactions and the letter has been handed to the other board members.

The 26-member board, representing more than 100 nations who are signatories to Intelsat, is to meet on December 4 to consider further action. This would include extending the officials' paid leave of opening a full-scale investigation.

Comsat, the US signatory to Intelsat which owns 25 per cent of the organisation, said it had been alerted to the suspensions and had informed the relevant US agencies,

US Lines files for protection

By Our Foreign Staff

US LINES, one of the world's largest container shipping groups, yesterday filed for protection from its creditors under Chapter 11 of the US Bankruptcy Code and suspended its round-the-world and transatlantic shipping services.

The move marks a major setback in the lengthy struggle for survival by US Lines' parent company, McLean Industries, which is controlled by 72-year-old Mr Malcolm McLean, one of the pioneers of the container shipping industry. McLean Industries also filed for Chapter 11.

The New York-based company has faced mounting losses in recent months and owes banks and investors over \$1bn. McLean, who borrowed heavily to finance a rapid expansion of its shipping fleet, lost \$287m in the first nine months of the year.

The company said that the immediate suspension of US Lines' transatlantic and round-the-world services, which have been heavy loss-makers, would mean substantial cuts in employment and operating costs. McLean said it would route all cargo on the suspended services to its destination.

The company's trans-Pacific and South American services, which are profitable, will continue as scheduled.

Mr McLean, who set up the company in 1976, will be replaced as president and chief executive by Mr Charles Litzheimer, formerly chairman and president of Seal Industries Investments, the company said.

McLean, which operates 32 container ships, borrowed \$1bn to finance the 17 new container vessels it has acquired in the last two years. Its decision to expand its fleet aggravated existing overcapacity in the container shipping industry, where several other operators have been going the same. It was seen as a major gamble by Mr McLean, who built Seal-Line into one of the most successful companies in the freight transport field before selling it to R J Reynolds.

Mr McLean bought back into the industry with the acquisition of US Lines, one of the most famous US shipping companies, with the intention of re-establishing himself as a major force in the industry.

Revlon withdraws Gillette bid

Continued from Page 1

MacAndrews and Forbes, an investment company also controlled by Mr Perelman.

In return, Revlon has agreed not to buy any Gillette stock for a period of 10 years. More unusually, Drexel Burnham Lambert, Mr Perelman's investment banker, which has pioneered high yield, low value "junk bond" funding for takeovers, agreed not to finance any acquisition of Gillette stock for the next three years.

The \$65 a share offer two weeks ago was at a substantial premium above Gillette's share price. Mr Perelman is thought to have built up his stake in Gillette at an average price of \$55.81 a share.

Analysts branded the share buy-back as greenmail since only the Perelman group's shareholding was involved. The price was also above Gillette's closing share price on Friday of \$66.

Alexanders Laing & Cruickshank Holdings Ltd. An international securities house purpose built for the mid 80s and beyond. Revlon withdraws Gillette bid.

World Weather

Table of world weather forecasts for major cities including London, New York, Tokyo, and others, with columns for temperature and wind speed.

Barclays S. Africa move

Continued from Page 1

appointment, "but accepted it as a commercial decision."

Barnat accounts for about 2 per cent of Barclays' profits. The sale will have a negligible effect on the bank's balance sheet but should strengthen its capital position.

In Johannesburg Mr Chris Ball, Barnat's managing director, said the parent company "regrets this move" and had said "for the wrong reason." He concurred with Mr Basil Rensov, Barnat's chairman, that political pressures had given rise to the commercial decision to sell the South African interests.

Mr Ball said that Barnat was not dependent on Barclays for anything and that the sale had distinct advantages both for the bank and

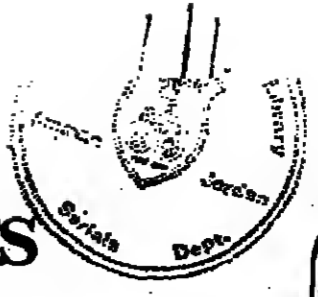
South Africa. Barnat was now free, he said, to open foreign branches and make investments abroad. The annual £30m dividend outflow to the British parent would now remain in South Africa.

Mr Ball does not expect any adverse reaction to the divestment from Barnat's 26,000 employees. He says no jobs will be lost because of the divestment and that the bank's own staffing position will not be affected by the severing of ties with Britain.

A video film explaining the divestment has been distributed to Barnat's branches. In the film Mr Ball tells employees that "the bank is now in control of its own destiny."

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SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Tuesday November 25 1988

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W. German unions set to sell life insurer

By Peter Bruce in Bonn

THE WEST German Trade Union Federation (DGB) is still considering selling 40 per cent of the country's third largest life insurer, the Volksfürsorge, group officials confirmed yesterday.

The shares in the group, which has premium income, including non-life business, of around DM 4bn (\$2bn) a year, would be floated in a public offering and distributed as widely as possible, one official said.

The DGB and its member unions have just sold control of the Bank für Gemeinwirtschaft to the Commerzbank and its insurance group for nearly DM 2bn as part of a general move out of the business sector following the collapse of the giant Hansa housing group which they still own.

The sale of nearly half of the Volksfürsorge was agreed last year. The unions are facing financial problems because of Hansa's huge debt but it was not clear yesterday who would lead the flotation. It would be a large one and therefore attractive to the country's big banks.

The Volksfürsorge was founded in 1912 by trade unions and co-operatives as a life insurer but added general insurance to its portfolio in 1925. It operates through 35,000 part-time workers, mainly trade unionists, who keep in direct contact with customers throughout the country.

DGB thinking a few months ago was to hold on to the remaining 60 per cent of the shares after the flotation but powerful left wingers in the union movement are pressing for a complete break between the unions and their old business activities.

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Pirelli to sell unit in Spain

By Alan Friedman in Milan

ITALY'S Pirelli tyre and cables group has agreed to sell control of Guerin, its loss-making cable distribution subsidiary in Spain to Sonepar, the French electronics components group.

Guerin is 100 per cent owned by Productos Pirelli of Barcelona. Pirelli last night declined to say how much Sonepar was paying for the shareholding control of Guerin. The Milan-based Pirelli also declined to reveal Guerin's loss for last year, saying only that Guerin should return to profitability by the end of this year.

Guerin employs 500 people, has a distribution network of 70 agencies in Spain and had turnover last year of Pta 11bn (\$81m). Pirelli itself, at group level, lost Pta 2.5bn last year on Spanish turnover of Pta 42.5bn. Pirelli employs 4,806 people in Spain and has six factories.

Sonepar last year had turnover of FF 9bn. The French group will take over the management of Guerin from January 1.

West Germany's BASF chemicals group said yesterday its Knoll subsidiary had acquired 100 per cent control of Ravizza, the Italian pharmaceuticals company which specialises in drugs for the treatment of disorders of the nervous system. BASF did not reveal its purchase price. Ravizza last year had turnover of L23bn (\$15m).

Novo pays DKr 465m for control of Ferrosan

BY HILARY BARNES IN COPENHAGEN

NOVO, the Danish enzymes and insulin producer, has acquired 75 per cent of the shares in Ferrosan, a family-controlled Danish pharmaceuticals company, in a cash deal worth DKr 465m (\$161m). This makes it one of the biggest acquisitions between Danish firms.

Ferrosan had sales in 1985 of DKr 822m, mainly in Scandinavia, from vitamins and pharmaceuticals. It made a pre-tax profit of DKr 81m.

Novo has agreed to buy the remaining shares in the next two years, which will price Ferrosan at about DKr 600m. The book value of Ferrosan's equity capital at the end of 1985 was DKr 125m.

Novo's interest is in Ferrosan's research into compounds acting on the central nervous system (CNS), in which Ferrosan has a good international reputation.

The acquisition marks a new strategy for Novo, which has not made a major acquisition before.

Mr Mads Orlsen, chief executive, however, said that it was not Novo's intention to try to become a broadly based international pharmaceuticals group.

He described the CNS area as one in which "we have a fighting chance of making it internationally, and Ferrosan can help us."

Novo, which began its own research into CNS products four years ago, has a research staff of 40 in the field, Ferrosan has 70 CNS research workers.

The company is too small to bring its products to the market and has licence arrangements with a number of companies including Beecham, Schering and Smith. Each agreement is backed by commitments by the licensees to invest \$20m-\$100m in the development of the products, said Mr Asger Aamund, Ferrosan's managing director.

Beecham hopes to file for registration of a Ferrosan anti-depressant with the US Food and Drug Administration soon.

Ferrosan will continue to operate independently of Novo under its present management. The CNS research teams will not be integrated. Mr Orlsen said a main reason for this is that Novo hoped to bring future CNS products to the market under its own auspices and without the need of licence agreements in the future.

The deal will be paid for out of Novo's cash assets, amounting to about DKr 450m. This will reduce the ratio of equity capital to total liabilities by about two points from the present 55 per cent, said Mr Orlsen.

Most of Ferrosan's shares are owned by members of the families which founded the company. They wish to realise the equity, said Mr Aamund, who emphasised that the deal with Novo was in no sense a rescue operation.

Asea sees earnings increase by 7.7%

By Sara Webb in Stockholm

ASEA, the Swedish electrical engineering group, showed a 7.7 per cent increase in profits (after financial items) for the first nine months to SKr 1.9bn (\$274m), compared with SKr 1.7bn in the corresponding period last year.

Group turnover rose 2.6 per cent to SKr 32.6bn against SKr 32.2bn in the first nine months of 1988.

Asea expects full-year profits after financial items to match last year's figure of SKr 2.4bn, with turnover "somewhat higher" than the 1985 total of SKr 40.1bn.

Order bookings for the first nine months rose 22 per cent to SKr 36.3bn with 68 per cent of the orders booked outside Sweden.

The increase was helped by substantial orders in the first quarter, including one for a turbine main steam system in Istanbul worth SKr 2.5bn and another for a complete high-voltage direct current power distribution system for Indian authorities.

Major contracts booked in the third quarter include a SKr 1.8bn order from the Swedish state railways for 20 high-speed trains and an order from Spain for a coal-fired power station based on Asea Stal's pressurised fluidised bed combustion technology.

Demand from the US rose in the third quarter as industrial investment picked up.

Earnings for Asea's financial services and trading division were helped by the booming stock market and fell in interest rates in Sweden this year.

However, the group blames the substantially lower earnings in its "standard finished goods" and "other operations" divisions on lower-than-expected levels of industrial investment in the home market.

Black & Decker hit by weak demand and stiff competition

BY DAVID OWEN IN NEW YORK

BLACK & DECKER, the US power tool manufacturer, under pressure from weak retail demand and intense worldwide competition, returned an unsatisfactory net profit of \$6.3m or 11 cents per share for its latest fiscal year ended on September 28.

The figure, which included an extraordinary loss from debt write-offs of \$21.2m (38 cents per share) was nevertheless a substantial improvement from the year earlier net loss of \$158.4m (\$3.11 per share). The fiscal 1985 figure included restructuring charges of \$205.3m (\$4.03 per share).

Full year sales rose by 3 per cent to \$1.76bn compared with \$1.73bn in fiscal 1985. However, excluding the favourable effect of foreign exchange of 5 per cent, acquisitions of 1 per cent and pricing of 1 per cent, comparable sales volume declined by 4 per cent.

The company's manufacturing restructuring programme, implemented to reduce its breakeven point, is "proceeding according to plan."

The defence allows holders to purchase Ponderosa shares at half price if any concern acquires more than 20 per cent of the company as well as enabling them to buy shares in any acquiring entity at half price. It also includes substantial golden parachute benefits for top executives.

Ponderosa officials have so far made little response to Mr Edelman's disclosure, saying that the investor has yet to disclose terms of any eventual offer. Observers believe that Mr Edelman may be pondering a bid of some \$30 a share or \$202.5m if the company agrees to rescind its anti-takeover defences.

News Corp profits advance by 64%

By Our Financial Staff

NEWS CORPORATION, Mr Rupert Murdoch's Australian master company, yesterday reported a 64.3 per cent rise in net profits to AS\$7.97m (US\$37.35m) for its first quarter to September, founded on a larger still jump in worldwide turnover to AS\$1.22bn, up 79.7 per cent.

The Adelaide-based company said that the earnings gain mainly reflected the inclusion of Twentieth Century-Fox Film, wholly owned from December, and Fox Television, acquired in March. As a result, operating profits in the US were 8.4 times higher in the latest three months at AS\$6.77m.

In the UK, cost savings from its Wapping newspaper printing plant were largely credited for a 26.1 per cent improvement in earnings from British operations to AS\$9.17m. Australian newspapers and television stations were hit, in contrast, by a depressed advertising market, and domestic earnings at AS\$1.95m were down 8.8 per cent.

The results, the group's first on a quarterly basis, also showed the effects of financing its acquisitions. Interest charges were nearly 3% times higher at AS\$2.77m compared with AS\$1.13m, while AS\$3.84m was paid out in minority interests, against a negligible amount last time.

Argus Printing and Publishing, South Africa's largest English language newspaper group, saw the benefits of rationalisation in its half-year to September, writes Jim Jones in Johannesburg.

Turnover increased to R377.1m (\$169.1m) from R319.2m and pre-tax profits were R17.8m against R9.6m.

Mr Hal Miller, the chairman, reports that sales of the principal newspapers published in Johannesburg - The Star, the Sowetan and the Sunday Star - all increased, while those published in Durban and Cape Town suffered circulation drops.

Banque Indosuez expects to pay £40m for Exco subsidiary

BY PAUL BETTS IN PARIS

BANQUE INDOSUEZ, the large internationally oriented bank owned by the French Suez financial group, expects to pay between £30m (\$51m) and £40m for Wico, the stockbroking subsidiary of Exco. The French bank is absorbing Wico under the British & Commonwealth shipping company's £57m bid for the large UK money broking company.

Mr Antoine Jeancourt-Galigani, Indosuez chief executive, also said yesterday that the French bank would be holding talks with B&C on other aspects of the Exco business which B&C is planning to take over. However, Mr Jeancourt-Galigani declined to disclose which other parts of the Exco businesses interested the French bank.

He believed B&C now held more than 50 per cent of the shares in Exco and that Banque Indosuez had for some time been eyeing Wico as an acquisition target.

"The deal was 'strategically important' for Indosuez because it would help the French bank's efforts to develop its securities and stockbroking activities.

Even at £40m, he said, Indosuez would be paying relatively little for Wico because the price reflected the mass defection of staff at the stockbroking company following a raid by Swiss Bank Corporation and uncertainty among Wico staff over the company's future. This had encouraged the defections.

Mr Jeancourt-Galigani indicated that Indosuez had been prepared to pay more for Wico when it made its first approaches for the Exco stockbroking subsidiary about a year ago. However, about 50 people, a quarter of Wico's staff, had since left and most had been taken over by Swiss Bank Corporation.

The defections essentially hit Wico's London and Tokyo offices but not its Hong Kong operations. Mr Jeancourt-Galigani said that Banque Indosuez intended to reconstruct the Wico teams, including reinforcing the stockbroking business with managers from the French banking group and other staff recruited outside.

The French bank, which is heavily implanted in the Far East, targeted Wico as an acquisition because it felt it needed a stockbroker in London but one with a strong international position, especially in the Far East.

Mr Jeancourt-Galigani said that Wico provided an ideal fit for Banque Indosuez in its efforts to develop its securities business in Western Europe and the Far East.

Wico, which Indosuez says is expected to earn after taxes about £5m this year, generates about 40 per cent of its revenues in Tokyo, 40 per cent in Hong Kong and the remainder in London.

"We felt it was a group less vulnerable to Big Bang (City of London market restructuring) and to the consequences of Big Bang than other UK stockbroking houses," Mr Jeancourt-Galigani said.

Wico is a listed stockbroker in London, Hong Kong and Tokyo but Indosuez will need the approval of the Japanese authorities to retain Wico's Tokyo stockbroking licence.

Mr Jeancourt-Galigani indicated that Indosuez might be forced to shed up to 50 per cent of Wico's Japanese operations to non-banking partners to retain its stockbroking licence. Indosuez expected, if necessary, to ask a number of French and European non-banking investors to join it in the Tokyo stockbroking activity.

Edelman reveals 19% stake in Ponderosa

BY OUR NEW YORK STAFF

MR ASHER EDELMAN, the New York investor who last week renewed his hostile bid for Lucky Stores, a California supermarket chain, has disclosed a 19 per cent stake in the Ponderosa restaurant chain and said he intends to seek control of the company.

In a letter to Ponderosa executives, Mr Edelman said that he intends to acquire all the company's 8.7m shares outstanding. He also moved to invalidate a poison pill stock plan which the company has in place by filing a lawsuit charging that rights outlined in the plan "discriminate against an acquiring person."

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Boliden loss blamed on low metal prices

BY SARA WEBB IN STOCKHOLM

BOLIDEN, the Swedish metals, chemicals, and mining group, reported a loss of SKr 987m (\$141m) after financial items in the first nine months one largely to low metal prices.

Profits after financial items in the comparable period last year were SKr 122m but these figures do not include contributions from Ahl-sell, the trading concern which Boliden took over earlier this year.

The group said that despite substantial capital gains made during the year, it would not rule out the possibility of a loss for the full year.

Boliden reported extraordinary gains to the value of SKr 557m which it attributed to the sale of shares and its power holdings, and which bring losses before provisions and taxes up to SKr 430m.

Sales for the first nine months totalled SKr 1.77bn against SKr 1.44bn last year, though this figure excludes Ahl-sell.

Rearrangement of the group into its new divisions has been completed. The metals and mining division has been seriously affected by lower metal prices in terms of the Swedish krona and while the fall has halted to a certain extent, average prices for the first nine months are still 20-30 per cent lower than in the corresponding period last year.

Boliden says that the measures taken so far to staunch the losses should begin to show their effect in 1987. These include laying off 1,500 employees and the closure of unprofitable areas.

Safeway near to decision on Woolworths

By Robert Kennedy in Sydney

THE DIRECTORS of Woolworths, the troubled Australian retailer, should know within a week whether they need to find a white knight to save off an unwanted AS\$50m (US\$348m) takeover bid.

Safeway Stores of the US will be presented next Tuesday with the findings of its adviser, Bankers Trust Australia, on whether the big American retailer should dispose of its 19.98 per cent Woolworths holding.

Under the terms of the sealed offer system adopted by Safeway, it will inform Woolworths of the identity of the bidder and the price offered if it decides to sell the holding.

Woolworths will then have a brief period to find a buyer at the same price. If it cannot do so, the parcel will go to the highest tenderer when the deadline for sealed offers closes.

The Safeway parcel is crucial to the outcome of the battle for control of Woolworths that began earlier this year when it became apparent that the discount store group was in difficulty.

Safeway is Woolworths' biggest shareholder, just ahead of Industrial Equity, Mr Ron Brerley's aggressive investment house, which appears to hold the pivotal ground.

Woolworths' shares yesterday jumped 10 cents to AS3.50, which would appear to be a minimum price for control given the positions of Safeway and IEL.

It is considered unlikely that Safeway would accept less than the market price for its holding and IEL would not be expected to look at anything short of that price given that it paid AS3.74 a share for its stake.

It will be interesting to see whether IEL decides to use some of the AS1bn-plus of credit lines it has opened to take control of Woolworths and unlock a massive national distribution opportunity for the products of its Southern Farmers, Cascades and G. and R. Willis subsidiaries.

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Esselte reports 3.6% drop in earnings

By Our Stockholm Staff

ESSELTE, the Swedish office supplies group, reported a 3.6 per cent fall in profits after financial items for the first nine months to SKr 453m (\$85.8m).

Group sales amounted to SKr 8bn, up 10.3 per cent on the corresponding period last year. However, when acquisitions made during the year are taken into account, the sales increase is 7 per cent.

Esselte expects profits after financial items for the full year to reach 1985's level of SKr 741m, while sales are expected to reach SKr 11.1bn, up 9 per cent on 1985.

However, the group is still dogged by uncertainty over its involvement in a pay-TV venture. Losses in the pay-TV venture are expected to be heaviest in 1988 - so far this year, development costs have amounted to SKr 76m compared with SKr 25m in the first nine months of 1985. The project is not expected to show profits before 1988.

INTERNATIONAL COMPANIES AND FINANCE

NOTICE OF REDEMPTION

To the Holders of
**Compañía Anónima Nacional
Teléfonos de Venezuela**

8 3/4% Guaranteed Sinking Fund Debentures Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of December 15, 1972, providing for the above Debentures, \$740,000 principal amount of said Debentures bearing the following serial numbers have been selected for redemption on December 15, 1986, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest thereon to said date:

OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE DISTINCTIVE NUMBERS ENDING IN ANY OF THE FOLLOWING TWO DIGITS:

16 48 52 58 75 80

ALSO OUTSTANDING DEBENTURES OF \$1,000 EACH OF PREFIX "M" BEARING THE FOLLOWING NUMBERS:

121	065	2026	3325	4125	5425	6225	7825	9025	10125	12025	12525	14125
122	1125	2125	3425	4225	5625	6425	7925	9225	11225	13125	13625	14225
123	1325	2325	3625	4425	5825	6625	8125	9425	11425	13325	13825	14425

On December 15, 1986, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15th Floor, 30 West Broadway, New York, N.Y. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London, Paris and Zurich; Bank Mees & Hope NV in Amsterdam; Credito Romagnolo S.p.A. in Milan and Rome and Credit Industriel d'Alsace et de Lorraine, S.A. in Luxembourg. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee with a bank in New York City. Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a bank in the Borough of Manhattan, City and State of New York. Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8, certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification when presenting your securities for payment.

Coupons due December 15, 1986 should be detached and collected in the usual manner. On and after December 15, 1986 interest shall cease to accrue on the Debentures herein designated for redemption.

Compañía Anónima Nacional Teléfonos de Venezuela

Dated: November 13, 1986

Peoples to acquire Zale

By Bernard Simon in Toronto

ZALE, the Texas jewellery chain, has finally agreed to a \$55m takeover bid by Peoples Jewellers of Toronto after resisting Peoples' overtures for more than eight months.

Zale said that its board accepted a \$50 per share offer from Peoples and Swarovski International Holding of Switzerland on condition that the deal is closed by December 31 to allow shareholders to take advantage of lower tax rates which apply until then on capital gains.

The successful bid, which is 55 per cent above Zale's book value and \$8.50 above its closing price on the New York Stock Exchange last Friday, is the fourth made by Peoples since it approached Zale last March. The Toronto company teamed up for the first time a month ago with Swarovski, which supplies jewellery and crystal products to Peoples' 300 stores.

Peoples said that Zale's decision is "virtually certain" to lift its holdings in the US company above 51 per cent. It already owns 16 per cent of Zale. The Zale and Lipshy families, Eliberto Zale's controlling shareholders, and certain company funds which together hold 34 per cent of the stock, have indicated that they will tender their shares.

Pargesa, GBL set up global unit

BY TIM DICKSON IN BRUSSELS

PARGESA and Groupe Bruxelles Lambert, respectively the Swiss and Belgian holding companies which form the twin pillars of the fast growing financial services and industrial empire headed by Mr Albert Frere and Mr Gerard Eskmezzi, have set up a new fund management operation called International Asset Management.

Based in Luxembourg, IAM has been formed as a "free standing" entity to define and implement a global investment strategy for the member banks of the Pargesa-GBL

group. These are Banque Internationale a Luxembourg (BIL), one of the oldest and largest banks in Luxembourg, Henry Ansbacher Holdings, the London merchant bank, and Banque de Gestion Prive SIB, a new bank born of the merger of BGP and SIB, the specialist fund management division of which looks after about \$1.5m through 30 managed funds.

IAM is to provide an overall investment strategy for the group as well as running its own investment vehicles. The first of these is the

IAM Flagship Fund, which is aiming to achieve balanced international growth. IAM's managing director is Mr Marc Varangot, formerly of Morgan Guaranty, where he had 20 years' experience in the US, South America and Europe.

The latest Pargesa/GBL can be seen in the context of what Mr Edmond Israel, IAM's chairman and a member of the BIL executive board, said were the two great movements said were the two great movements of the war - the growth of the Euromarkets and more recently the development of portfolio invest-

ment on a huge international scale. The move is also a sign of the much greater competition for private banking business in Luxembourg. Local banks have been in this market for years but with the decline of their traditional credit business many of the banks have been seeking to attract private clients with an increasingly sophisticated range of financial services. GBL/Pargesa has grown very rapidly and now has a consolidated net worth of \$3bn.

Newmont lifts coal stake

BY STEFAN WAGSTYL IN LONDON

NEWMONT MINING, the US gold, base metals and energy group, has increased its stake in Peabody, America's largest coal company, from 30.73 per cent to 61.47 per cent for \$20m.

Newmont has bought shares held by Williams Companies, the Oklahoma-based energy company. However, Newmont said it planned to

cut its increased holding to 49 per cent by selling shares. Peabody's three other shareholders are Eocol, the construction company, Boeing, the aircraft maker, and Equitable Life Assurance.

The companies formed a consortium and bought Peabody from Kennecott, the copper group, in 1977.

United Breweries higher

BY HILARY BARNES IN COPENHAGEN

UNITED BREWERIES, best known for the Tuborg and Carlsberg brands, increased net turnover by 5.6 per cent from Dkr 8.5bn (\$1.1bn) to Dkr 9bn and pre-tax earnings from Dkr 345m to Dkr 375m.

Beer sales, two thirds of which take place outside Denmark and consist mainly of beer brewed overseas, increased by 10 per cent in

volume, but the appreciation of the krone against most of the currencies in countries in which the group operates adversely affected sales. Turnover in the group's new brewing companies increased 12 per cent to Dkr 3.1bn. The group will pay an unchanged 15 per cent dividend totalling Dkr 12m.

Republic Holding S.A. in liquidation Luxembourg

(Formerly Trade Development Bank Holding S.A.)

NOTICE IS HEREBY GIVEN by the Liquidators of the Company that a General Meeting of Shareholders of Republic Holding S.A. ("RH") in liquidation will be held at Hotel le Royal, 12 Boulevard Royal, Luxembourg,

on December 9, 1986 at 2.30 p.m.

for the purpose of considering and voting of the following matters:

1. Liquidators' report on the accounts as at December 31, 1985 and on the liquidators' fulfilment of their assignment;
2. Statutory Auditors' report for the period January 1 through December 31, 1985.
3. Approval of the statement of conditions as at December 31, 1985 and of the management of the company during 1985;
4. Discharge of the Board of Directors from January 1 through October 29, 1985 and of the Liquidators for their duties from October 29 to December 31, 1985;
5. Discharge of the Statutory Auditors concerning their duties relative to the year ended December 31, 1985;
6. Miscellaneous.

NOTES:

Any shareholder whose shares are in bearer form and who wishes to attend the General Meeting must produce a depositary receipt or present his share certificates to gain admission.

If he wishes to be represented at the meeting he must lodge a proxy, duly completed, together with a depositary receipt at the registered office of RH at 13 Boulevard de la Voire, Luxembourg, not later than December 8, 1986 at 5 p.m. The shareholder may obtain the depositary receipt and, if required, the form of proxy from any of the banks listed below by lodging his share certificates at their office or by arranging for the bank by whom his certificates are held to notify any of the banks listed that shares are so held.

Any shareholder whose shares are registered will receive a notice of the General Meeting at his address on the register, together with a form of proxy for use at the meeting. The proxy should be lodged at RH's office in accordance with the above instructions.

The remittance of the form of proxy will not preclude a shareholder from attending in person and voting at the meeting if he so desires.

All the resolutions covered by the Agenda may be passed by a simple majority provided that no single shareholder or proxy may cast votes in respect of more than one-fifth of the issued share capital or more than two-fifths of all shares represented at the meeting.

Shareholders may obtain copies of the documentation listed hereunder:

1. This notice;
2. Liquidators' report;
3. Statement of condition at at December 31, 1985, at the registered office and from any of the banks at the following addresses:

- * Manufacturers Hanover Limited, 8 Princes Street, London EC2P 2EN (England)
- * Banque Internationale a Luxembourg S.A., 2, Boulevard Royal, Luxembourg (Luxembourg)
- * Manufacturers Hanover Bank Belgium, 13, rue de Ligue, 1000 Brussels (Belgium)
- * Manufacturers Hanover Banque Nordique, 20, rue de la Ville-Evêque, 75005 Paris (France)
- * Manufacturers Hanover Trust Company, Bockenheimer Landstrasse 51/53, Frankfurt (W. Germany)
- * Manufacturers Hanover Trust Company, 40 Wall Street, New York, N.Y. 10018 (U.S.A.)
- * Republic National Bank of New York, 462 Fifth Avenue, New York, N.Y. 10018 (U.S.A.)
- * Republic National Bank of New York, 46 Berkeley Square, London W1 (England)
- * Republic National Bank of New York (Luxembourg), 13, avenue de la Forte Neuve, Luxembourg (Luxembourg)
- * Republic National Bank of New York (France), 20, Place Vendôme, 75001 Paris (France)
- * Trade Development Bank, 30 Monument Street, London EC3R 5LH (England)
- * Trade Development Bank (Luxembourg) S.A., 84, avenue de la Forte Neuve, Luxembourg (Luxembourg)
- * Trade Development Bank, 96-98, rue du Rhône, 1204 Geneva (Switzerland)
- * Trade Development Bank, 25, Corso S. Gottardo, 6830 (Switzerland)

This announcement appears as a matter of record only.

NEW ISSUE

NOVEMBER 1986



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This announcement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the Prospectus and the related Prospectus Supplements.

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NOVEMBER 1986

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INTERNATIONAL COMPANIES and FINANCE

Goodman Fielder and Wattie merge

DAI HAWARD IN WELLINGTON AND ROBERT KENNEDY IN SYDNEY. GOODMAN FIELDER, the Australian food group, and Wattie Industries, the New Zealand meat processing and canning company, are to merge in a deal which will create a combined operation capitalised at some A\$520m (US\$1.25bn) and with assets put at A\$2.7bn.

Wattie at A\$4.80 a share. Wattie finished at A\$4.20. Goodman Fielder is already a 30 per cent shareholder in Wattie, which in turn has 15 per cent of Goodman Fielder. If the merger is successful it will be the second all-share deal Goodman Fielder has been involved in this year.

Brunei steps up inquiry into NBB

By Joyce Quek in Singapore. THE BRUNEI authorities yesterday stepped up their investigation into National Bank of Brunei (NBB) by indicating to the Singapore police that they would welcome the extradition of Mr Chen Ping Fan, another director of the bank.

Minebea falls but lifts payout

BY ANDREW BAXTER IN TOKYO

MINEBEA, the Japanese ball-bearing company, is raising its annual dividend from ¥11.5 to ¥11.75 a share despite a 24 per cent fall in pre-tax profits for the year to September.

Board resigns at Air Lanka

BY MERVYN DE SILVA IN COLOMBO

THE BOARD of directors of Air Lanka, the Sri Lanka flag carrier, has resigned in the face of mounting losses and controversy over its level of spending.

OTB sharply reduces loss

OVERSEAS TRUST BANK (OTB) of Hong Kong sharply reduced net loss to HK\$266.04m (US\$34.1m) for the year to June.

Three Japan credit banks' pre-tax income up 60%

BY OUR TOKYO STAFF

COMBINED pre-tax profits of Japan's three long-term credit banks—Industrial Bank of Japan, Long-Term Credit Bank of Japan, and Nippon Credit Bank—surged 60 per cent to ¥156.19bn (\$955m) in the first half to September.

Table with 3 columns: Bank Name, Income, Pre-tax profit, Net profit. Rows include IBJ, LTCB, NCB.

Dorbyl boosted by acquisitions

BY JIM JONES IN JOHANNESBURG

DORBYL, the South African heavy engineering group, benefited from earlier acquisitions in the year to September but turnover rose by only a comparatively small percentage.

Engineering products has been declining rapidly. This has particularly been the case with state sector customers, he adds.

THE ZURICH STOCK EXCHANGE Fully continuous trading in leading Swiss shares. Swissair bearer, Bank Leu bearer, UBS bearer and pc (participation certificates), Swiss Bank Corporation bearer and pc, Credit Suisse bearer (including pc), Swiss Volksbank Co-operative shares, Swiss Reinsurance pc, "Winterthur" bearer, "Zurich" bearer, Adia bearer, Elektrowatt bearer, "Holderbank" bearer, Jacobs Suchard bearer, Oerlikon-Buehrle bearer, Pargesa bearer, Surveillance bons de jouissance, Pirelli bearer, BBC bearer, Ciba-Geigy bearer and pc, Nestlé bearer and pc, Sandoz pc

HMP dives as palm product prices plunge

By Wong Sulong in Kuala Lumpur

HARRISONS Malaysian Plantations (HMP), Malaysia's second biggest plantation group after Kumpulan Guthrie, suffered a 60 per cent fall in pre-tax profits to \$0.6m ringgit (US\$11.7m) for the six months to September.

Keep up with the London markets Real-time refreshed information on Reuter Monitor

Table with columns: GAT, LAST, BID, ASK, CLOSE, OPEN, HIGH, LOW, VOLUME. Rows include 1225 TSBN, 1222 TSCO, 1207 THN, 1221 TRAF, 1217 TRST, 1220 ULVR, 1209 UBIS.

UK EQUITIES AND MUCH MUCH MORE... INTERNATIONAL MONEY MARKETS INTERNATIONAL GOLD MARKETS INTERNATIONAL OIL MARKETS INTERNATIONAL BOND MARKETS DOMESTIC MONEY MARKETS INTERNATIONAL FUTURES MARKETS INTERNATIONAL EQUITIES MARKETS REUTER MONITOR - THE INFORMATION SERVICE FOR YOUR MARKETS

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INTERNATIONAL CAPITAL MARKETS and COMPANIES

Haig Simonian on the refinement of collateralised mortgage obligations CMO buyers vote with their wallets

COLLATERALISED mortgage obligations (CMOs)—last week's buzzword in the Eurobond markets—are hardly unfamiliar to seasoned dealers. They have learned to understand the US-derived technique of using a variety of assets, which now include car purchase loans and credit card debts, as the security behind a bond issue.

multiple A rating may be misleading though investors seem content. The Franklin FRN was being bid at par yesterday afternoon. Goldman Sachs, lead manager for the Prudential issue, has gone considerably further. Rather than isolating one maturity class, it has, for the first time, used a single CMO across its entire lifespan. In Prudential's case, the underlying issue is a 14 1/2 per cent 29-year Ginnie Mae.

Amsterdam SE furthers 'rolling big bang'

THE AMSTERDAM Stock Exchange plans to add electronic screens for displaying price information to improve its block trading system in another step in the bourse's "rolling big bang."

Italy meets fair reception in Y30bn Euroyen debut

ITALY MADE ITS expected debut in the Euroyen market yesterday with a Y30bn six-year issue which appeared to meet a fair reception, though it was viewed as quite aggressively priced given the recent supply of paper to the sector.

Convertible bond rights by Spanish telephone group

COMPANIA TELEFONICA Nacional de Espana, the semi-state-owned Spanish telephone monopoly, is to launch a Pta 25bn (\$185m) rights issue in convertible bonds next week, taking advantage of tax relief on bond investments before it is scrapped at the end of the year.

Nordic Investment Bank issues medium-term notes

NORDIC INVESTMENT BANK yesterday became the latest of what is still only a handful of borrowers to launch a medium-term notes programme in the Euromarkets.

Tokyo bond market revival plan

JAPAN'S moribund corporate bond market could soon come back to life, if proposals to ease restrictions on borrowers and restrict corporate borrowers put up collateral for their domestic bond issues.

Nomura Belgium Today, a new opening in Brussels. For three years, Nomura has operated a Representative Office in Brussels as an important part of its worldwide network. The office has consolidated the results of active data gathering throughout Europe. It has described and assessed the Japanese scene for local clients. Beginning today, clients in Belgium and Luxembourg can call on more of Nomura's financial expertise. Nomura Belgium S.A./N.V. extends the worldwide Nomura tradition of service. Fresh insights and creative ideas. A new opening to answer your every financial need.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on November 24

Table with columns for US DOLLAR STRAIGHTS, FOREIGN STRAIGHTS, and FLUATING RATE NOTES. Lists various bonds with their prices and yields.

NZ Futures Exchange share index

THE NEW Zealand Futures Exchange (NZFE) plans to begin trading a share price index futures contract on January 5 1987.

SWISS FRANC STRAIGHTS

Table listing Swiss Franc straight bonds with columns for bond name, issue size, and price.

CONVERTIBLE

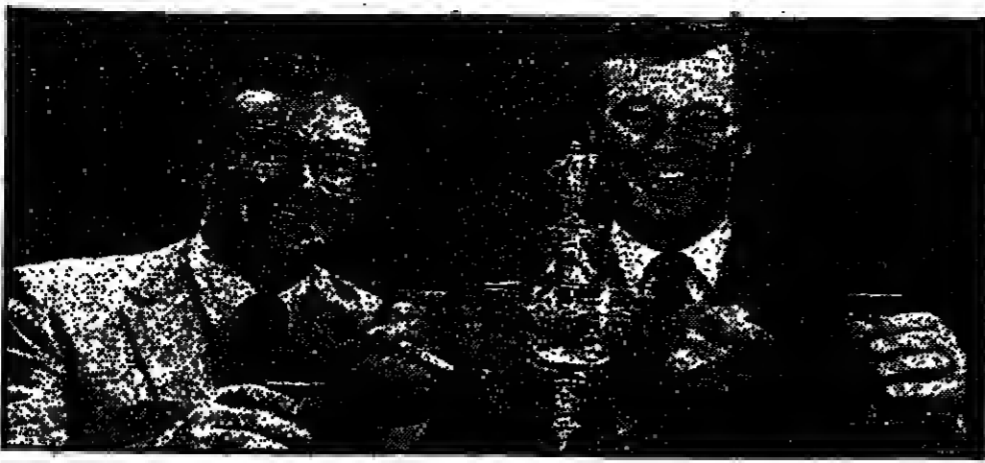
Table listing convertible bonds with columns for bond name, issue size, and price.

YEN STRAIGHTS

Table listing Yen straight bonds with columns for bond name, issue size, and price.

MANAGEMENT : Small Business

FRIENDS thought Barry Hearn was 'crazy' when he bought a chain of snooker halls 19 years ago. Today, snooker is Britain's most popular TV sport. Adorning the wall of Hearn's smart Romford office is a cheque from Courage, the UK brewer, for a million pounds made out to his protégé, Steve Davis. It seems the whole world has gone 'snooker loopy'.



Barry Hearn (right) with Dennis Taylor, last year's world snooker champion

Potting gold in a 'snooker-loopy' world

Philip Coggan explains how Barry Hearn realised big ambitions with a modest organisation

Hearn qualified as an accountant in 1970 and spent three years at Thomson McIntock before moving into the snooker business, so he feels no qualms about taking almost complete financial control over his players' finances. "I handle all their bank accounts," he says with a grin, "and if they want to buy something, they give me a call."

With all these tournaments and exhibitions to organise, Hearn works a long day. When I met him, he was bleary-eyed after a grand prix competition victory by Jimmy White the previous night. "That will put Jimmy's fee up to £2,500 an evening," he said enthusiastically. Nowadays those kinds of fees are no longer earned from the old route of working men's clubs, but from businessmen entertaining clients eager to meet and play against their heroes.



Steve Davis, one of the earliest members of Barry Hearn's stable, after signing a film contract three years ago

Recalling an incident which highlights the problems he faces with his stable, when they were about to fly off to a tournament, Hearn says: "One can't find his passport, one is delayed because of an accident in Manchester and one is lying in bed because he thinks the plane will be late."

course, in tournaments, they want to murder each other. And I wouldn't want it any other way."

With offers of product endorsement flooding in, Hearn has to be careful before committing a player to a particular advertisement. One of his trickiest requests came from Minolta's photographers. The plan was to picture under the slogan, "Our hero," a recumbent Davis with the text "Minolta—brilliantly reliable copiers."

That is a rather double-edged promotion for a man sarcastically labelled Steve "Interesting" Davis, by the TV programme "Spitting Image" because of his robotic concentration during matches. But with earnings well over £700,000 per annum, Davis felt he could afford a joke at his expense. The campaign went ahead.

With his range of players and his earning power Hearn's position within the sport means that he can set up his own tournaments. But he dismisses the idea that Matchroom would break away from the official game entirely. "For a start, I'm on the board of the World Professional Billiards and Snooker Association" (the sport's governing body), he says, "and in any case, the WPBSA controls the major tournaments. Those are the ones my lads want to play in."

Outside the majors, Hearn feels free to exploit his group's potential. In October, he announced the formation of an eight-man league (the players plus Cliff Thorburn), with Rothmans sponsoring to the tune of £500,000 over two years. Not a bad business proposition, considering that seven-eighths of the prize money likely to come to Matchroom.

'Rates deter expansion'

THERE IS "no justification" for continuing with a system of taxation for business in Britain which is now considered inappropriate for domestic residents, says the National Federation of Self Employed and Small Business of the current rating system in its response to the Government's Green Paper, Paying for Local Government.

"We have always considered that taxation should be related to income and profits, that is ability to pay," says the federation. "That the Government has failed to address the problem thoroughly at the present time—proposed changes relate to domestic rates—will inevitably delay the fundamental reform required until well into the next century," says the federation.

Many small businesses are struggling to maintain a presence that is vital to the character of town centres. Retail margins can be very small, to "a small change in overhead costs has a significant impact on net profitability." The federation argues that it "cannot be equitable" that a sole trader on marginal profits should contribute a large percentage of his overheads to local government spending while another, with considerable profit, working from home or without premises, contributes nothing.

The federation maintains that there is evidence that businesses are deterred from expanding by the impost of rates; they are concerned that a move to larger premises results in a larger burden that cannot be computed if trading becomes more difficult. It argues that because rates are a direct cost on industry, they increase the product cost of goods and services and thus hit British companies' ability to compete in world markets. The Green Paper "fails to point out that recurring taxes on immovable property as a percentage of Gross Domestic Product are much higher in the UK than in any other OECD country."

In brief...

PLANNING, launching and living with successful business expansion is the theme of a one-day seminar, "Growth for Growth," to be staged by 3i—Investors in Industry—at the Dragonara Hotel, Edinburgh, on December 12.

Guest speaker will be Malcolm Rifkind, Secretary of State for Scotland. He will examine the Government's role in encouraging the ambitions of Scottish commerce and industry.

James Gulliver, chairman of Argyll Group, the UK food and drinks concern, will discuss the benefits which diversification, acquisitions and mergers have brought to his range of businesses, while Eric Foscock, managing director of Babygro Holdings, the UK baby products group, will talk of his experience leading his management buy-out.

Other speakers will look at sources of finance. The seminar costs £75, including lunch and documentation. Full details available from Mike Paccini, 3i, 5 Charlotte Square, Edinburgh EH2 4DR.

with the community. The success of business and industry... ultimately depends on reputation. And reputation depends on... the extent to which (a company's) purpose and values are understood in the community in which it works."

So says Sir Geoffrey Chandler, director of Industry Year 1986, in a foreword to Working Partners, a booklet by Peter Whates published by the Volunteer Centre. The booklet outlines some basic principles of community involvement. These include "people involvement" where by staff can work part-time with local community organisations, and the sharing of buildings and equipment, which enhances a company's public profile at little extra cost.

Working Partners is available free from Christine Smith, The Volunteer Centre, 29 Lower King's Road, Berkhamsted, Herts HP4 2AB, telephone 0427 73311.

THE GOVERNMENT'S intention to reduce the amount of information small companies are required to give shareholders, but to allow those shareholders to ask for more if they want it, could cost small companies more rather than reduce their burden.

That is the view of the Institute of Chartered Accountants of Scotland. The institute recommends instead a redesign of small company accounts to simplify their production for filing while maintaining the amount of information given to shareholders. Brian Minto, a member of the institute's accounting standards committee, says there are seven basic "building blocks" in a set of accounts: 1. directors' report; 2. auditors' report; 3. balance sheet in 1985 Companies Act format; 4. balance sheet notes; 5. detailed profit and loss account; 6. profit and loss account notes; 7. statement of source and application of funds.

"We are recommending that the legislation is simplified to require small companies to file items 1 to 4 (the 'public accounts') while making items 5 to 7 (the 'statutory accounts') available to shareholders and, as required, to bankers, the Inland Revenue, etc."

Business Opportunities

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

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LONG ESTABLISHED PUBLIC, BUT PRIVATELY OWNED COMPANY with six figure assets and currently in profit, with large property development potential in southern provincial City centre, seeks association with a public company with a ready market in its shares in order to unlock a profit round £10 million.

ELECTRONIC COMPANY SEEKS QUICKER PATH TO EXPANSION. A major company in its field, with excellent facilities for manufacturing and testing multi-layer, PTH and conventional PCBs, has now planned to expand its existing facility for fully assembled PCBs.

PROFIT BASED PRINTING PARTNERSHIP. Consider the benefits of converting some of your company's printing costs directly on to your own bottom line.

FOR SALE OR MERGER. A well established lithographic printer in the East Midlands area invites propositions either for a sale of the business as a going concern or a merger.

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The Corporate Division of Capital Consultants offer a range of services which include Company acquisitions, mergers and disposal, the introduction of equity partners, new products and services and assistance with associated Corporate funding.

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Paramount Petroleum Corporation Crude Oil Upgrading Facility Bakersfield, California (The IVEC Facility). Pursuant to the pending bankruptcy reorganization of Paramount Petroleum Corporation (Case No. LA-84-13610-JD) the Trustee invites offers to purchase the 25,000 B/D IVEC Facility in Bakersfield, California.

Cash Flow Eased at Reasonable Rates. If your company has sums of money tied up in good quality debits you can turn them into immediate cash using either bills of exchange or an invoice discounting facility of rates of interest that may be less than your bank is currently charging you.

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LEARNING PARTNERSHIP COMPUTER BASED. Software developer/marketer with CBL program shells recently demonstrated to military organisations. This unique business opportunity offers limited partnership to take advantage of markets excluded to the individual.

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MANAGING DIRECTOR BOUGHT BY NATIONAL SALES/SERVICE CO BASED IN BRISTOL. Would be responsible for full day to day control of Sales/Service personnel both in Bristol and in established French offices. Would also be responsible for developing the business on a franchise basis throughout the UK. Equity participation.

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EXPANDING FINANCE HOUSE Seeks equity participation (30% plus) from investor able to provide/provide additional credit lines.

WANTED INVESTOR TO PROVIDE MANAGEMENT SKILLS and £100,000 to dynamic successful company with exciting new project

FINANCE Lines of credit up to £10m arranged by qualified Bankers for individuals corporates with viable proposals

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JAPANESE GOVERNMENT Information services published in English give fast access to important JGHI TECH developments in Japan

UNITED STATES SALES OPPORTUNITIES Senior marketing executive with extensive experience of the telecommunications, computing and related electronics markets seeks business partner

PROJECT FINANCE Established international real estate developer (residential, commercial, industrial and leisure), with a successful track record, is looking for a partner for viable projects

OVERSEAS REAL ESTATE Company engaged in marketing overseas real estate projects requires a partner with building and real estate experience, to participate in an expanding company.

CONSULTANT WANTED Experienced, energetic, trained senior manager with good connections in the power or steam generation industry to help in the development of waste heat recovery systems.

MAJOR FIRM Services, Pension and Benefits Assurance, Unit Trust Advisory Involved in Insurance Broking, Life Contingency

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FOR SALE LIMITED HOLDING COMPANY Existing since 1965 Shares officially quoted on a European Stock Exchange

Company Sale STEEL STOCKHOLDERS WEST MIDLANDS TURNOVER 1985 £2.2m FRESHOLD PROPERTY

SPECTACLE FRAME COMPANY FOR SALE Importer and Wholesaler with current turnover of £200,000

HEATING MERCHANTS WANTED J. & E. LABONE LIMITED now part of Parkfield Group Plc seeks to extend its geographic coverage

EXECUTIVE SEARCH/MANAGEMENT RECRUITMENT CONSULTANCY Well known and fast expanding Management Services Group wish to strengthen their Recruitment/Consulting capability and seek further acquisition of high calibre Search/Selection businesses and Management Consultants.

WANTED FREEHOLD FACTORY WEST LONDON - 20,000 sq ft We require to purchase a freehold factory of 20,000 to 25,000 sq ft in West London between Colindale and Hendon areas.

OVERSEAS COMPANY wishes to expand in UK We are looking to purchase companies to the following operations:

EXPANSION-MINDED FLEXIBLE PACKAGING MANUFACTURER is interested in acquiring companies with gravure/flexo printing and lamination capabilities

INDOUBT TOUR OPERATOR Successful Irish company wishes to negotiate equity/management participation or outright purchase of a reputable London based ground operator

LANDSCAPE COMPANY REQUIRED An active investor wishes to make total acquisition of a profitable on going concern manufacturing landscape ornaments and decorative items based in the London and Surrey area.

ROTOR DEALERSHIPS (WANTED) Northern based multi-branched motor group seeks to acquire with whom trading Preferably North West, Yorkshire or East

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HOTEL MANAGEMENT ASSIGNMENTS UNDERTAKEN We will provide full operational and commercial management (for non-hoteller third parties with a holding either short-term) or on a continuing contractual basis for developers or building owners and others.

William HILLARY & Company SQUASH CLUB FOR SALE in Midlands Cathedral City

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FOR SALE NIGERIAN MANUFACTURING COMPANY An overseas holding company wishes to sell its holding in a successful and profitable manufacturing company located near Lagos.

FOR SALE ELECTRICAL BUSINESS Manufacturer of washing machines for domestic and industrial use

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SPORTSWEAR MANUFACTURER Successful Imprinted Sportswear manufacturer seeks to acquire a business with cut and sew capacity in the UK

BUSINESSMAN Interested in purchasing all or part equity of interesting business in the South of England ranging from £50-£500,000

PUBLIC COMPANY Involved in Construction and Services industry requires medium to large BUILDING COMPANY

WITHIN 20 MILE RADIUS OF MANCHESTER Advertiser with substantial capital seeks purchase of profitable business where management might wish to retire in foreseeable future

MEDIUM SIZED BUILDING COMPANY Proficiently with housebuilding interests and substantial land bank

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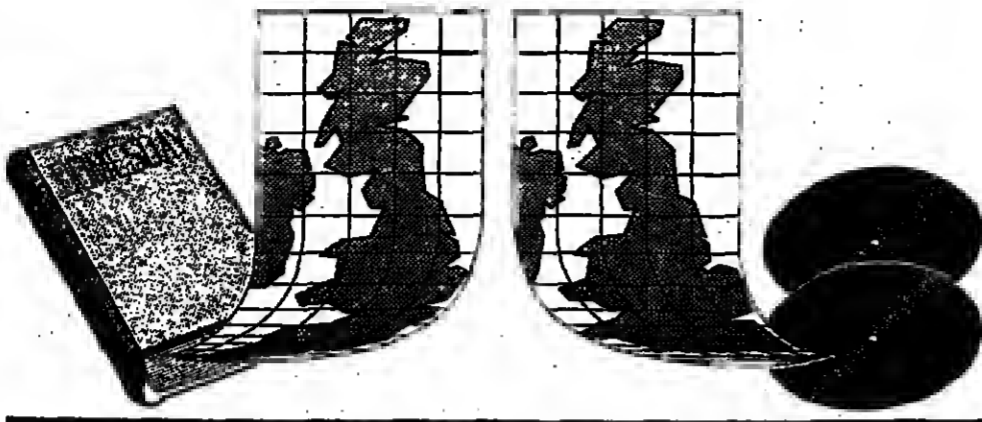
JPT 11/25/86

TECHNOLOGY

THE DOMESDAY DISCS

Video window on British way of life

By John Chittock



IF BROADCASTERS ever imagined that television was only a medium for the mass audience — passive recipients of programme controllers — this morning the BBC will be showing just how wrong the television industry can be. Today, the BBC is launching its much-awaited Domesday video discs — two years and £2.5m after this extraordinary project was first announced.

For the video disc as a medium, and interactive video as a technology, it is an important milestone. There have been those who have doubted the prospects for such broadcasting techniques and others who have tried to wait for a major practical breakthrough.

The broad details of the Domesday project have been well publicised: two video discs which provide a contemporary social and economic record of Britain, accessible as still pictures, movies, text, maps, data and sound tracks. This vast multi-media library was made possible by the co-operation of 14,000 schools across Britain (which provided photographs and information about their own communities) as well as a host of national organisations — ranging from the Ordnance Survey to the Institute of Terrestrial Ecology.

With the BBC system the user can start with an Ordnance Survey map of Britain displayed on the TV screen and can choose (with a manually-controlled electronic marker) any region about which information

is required. Closer scale maps of the UK can be "called up" until — at a scale of one inch to one mile — a village, town, river or area of countryside can be selected. Thereafter, all manner of information on that place can be obtained.

For example, entries on villages and towns may display information ranging from photographs of the local vicarage to the relative cost of local authority rates. Using the associated BBC Acorn micro computer, information of the latter type can be permuted into new displays — drawing upon the discs' vast data store which includes the main results of the 1981 Population Census, other national surveys such as family expenditure, sets of weather pictures, and photo-

graphs showing the architecture, environment and general "feeling" of areas.

Thus a market researcher wishing to sell green Wellington boots to the highest income groups, in the wettest areas, with the hottest countryside, has a real prospect of tracking down the appropriate information. Perhaps less improbably, teachers will be able to give pupils a real insight into far-off regions — showing Sussex schoolchildren what life in the North is actually like, what the unemployment situation is and how people spend their leisure time.

One of the many innovations in the Domesday discs is the Picture Gallery. This is a graphic representation of an art gallery, with the displayed pic-

tures on its walls each used as a pictogram for a whole mass of information. The viewer can move the electronic cursor (using a trackball or "mouse") apparently to travel through the gallery — inspecting the pictures or going on into other rooms.

At any time where a picture shows a subject in which the viewer is interested, it can be selected to reveal a whole bank of information on that theme — ecology, industry, transport, etc.

In another use of this so-called "surrogate travel" facility, the viewer is taken visually through a typical village and allowed to explore details which exemplify the local culture. Thus a farmhouse to the right of a lane can be "entered" so that the furnishings of the living room are re-

vealed — even the idiosyncratic contents of an open drawer at a desk, can be seen.

The Domesday discs are thus of historical importance, like their parchment predecessors, as well as serving very contemporary educational, industrial, social and even political purposes (on local party election agents should be without the system).

Statistics about the two double-sided video discs cannot reasonably convey the complexity of information available — literally at the user's fingertips. There are over 50,000 pictures, 150,000 pages of text, 9,000 sets of data, 1,500 articles from newspapers and magazines, 24,000 Ordnance Survey maps, 800 aerial photographs, 500 specially-taken satellite pictures, and of course clips of film and television programmes.

The extent of the permutations available to the user can be better imagined, however, by a BBC claim that the information on both discs — if viewed in its entirety — would occupy seven years of the user's time. The complete system — the new-generation Philips video disc player, Acorn computer, 14 in monitor, trackball and the two video discs is expected to cost just under £4,000 — and for schools about £3,000.

This project is a major triumph for Britain's expertise in video disc programming. Although the information is peculiar to the UK, overseas users may also find it indispensable if doing business in Britain.

WORTH WATCHING



Edited by Geoffrey Churish

Human movement is cause for alarm

MULLARD THE UK electronics component subsidiary of Philips of the Netherlands, has developed infrared detectors that, when used in conjunction with a special lens system available from the company, can sense human movement at distances greater than 12 metres.

Small product robotic project

IBM and the UK Government's Science and Engineering Research Council are to fund a co-operative programme between the computer company and Heriot Watt University (Glasgow) which is aimed at improving factory assembly of small-medium-sized products by the use of intelligent robotic manufacturing cells.

Ringing changes in the warehouse

THE REMOTE control of warehouse operations over the telephone has been developed by Rayridge, the UK automation company of Flint, Wales.

The system, called Vocals, would allow someone in a chain store's main office in London, for example, to give delivery instructions to voice-activated equipment at any warehouse location.

French speed computer input

FRENCH COMPANY Societe Inovatic of Montigny-Lez-Tours is offering an automatic page reader for use where existing documents have to be fed into computers and the usual method would be to key in the data.

Lowell BICENTENARY
Two centuries strong and building
1786 1986

asterisks for completion by the user. Software options allow text and photographic images to be handled.

Quick joints from the plumber's mate

PLUMBERS, WHO spend much time with a blow lamp soldering up joints in 15mm copper pipe, can benefit from a new tool offered by Antex of Plymouth in the UK.

European VANs set for rapid growth

ACCORDING TO Logica, the UK software/systems house, by 1992 the European market for value added networks (VANs) will be worth \$5bn in terms of revenues to service operators. At present it is worth \$300m. A value added network operator uses lines and exchanges in a country's telecoms network privately to provide specific services (that is, added value) to its own customers, such as companies within an industry wishing to exchange invoices orders etc, electronically over the phone line.

Breaking the mould on sandstone cost structures

BY PETER MARSH

WOULD A nice sandstone tub embellish your garden? If the answer is yes, you may well shrink at the price — such containers are normally made by carving them out from solid rock, a time-consuming and expensive process.

According to Brinstone of Ashton Hayes, near Chester, is a set of tubs that sell for about £25, compared with the £60-£100 that a container made from real sandstone would cost.

Brinstone was set up by Mr Rodney Trippier, the managing director, after he lost his job at a management training company. Mr Trippier says he cast around for something new to try his hand at and decided the gardening in-

dustry was a growth area. Knowing very little about stone technology, he tried out a series of moulds for making containers that looked like solid sandstone but made use of moulding techniques. In his method, crushed rock, sand, cement, chemical additives and colourings are blended and put in moulds that are made from glass-reinforced cement plastic or silicone rubber. The process is similar to that used to

make concrete structures using wooden formwork. By altering the composition of the mixture, Mr Trippier says he can produce different shades of stone-like products. One of the most popular is the buff-coloured Millstone Grit variety. Other pots come in Red Cheshire or Bath Stone shades.

According to Mr Trippier, he reached the correct way of producing his tubs — which are big enough to accommodate a medium-sized bush or a number of large plants — mainly by trial and error. Later, he called in to advise him researchers in materials from Salford University's civil engineering department. Mr Trippier is pleased to relate that these people could not suggest an improvement on his wholly empirical method of producing artificial stone.

Businesses For Sale

Plant Hire Division
South Midlands

Our client has instructed us to offer its plant hire division for sale as a going concern. This well established division has an excellent customer base serving the construction industry.

It has an annual turnover of approximately £1 million, employing twenty eight people based at two locations. Further information is available on request in writing from:

JHW Tibbarn, Spicer and Pegler, Chamber Avenue, Sherwood Rise, Nottingham NG5 1AH

Spicer and Pegler

Record Distributors
London

The Administrative Receivers are offering for sale the business and assets of a record distribution company.

Operating from leasehold premises in London and employing twenty full time staff, the company had a turnover of approximately £1.8m in the last financial year.

For further information please contact:

A A Brown or C Laughton, Spicer and Pegler & Partners, Friary Court, 65 Crutched Friars, London EC3N 2NP Telephone: 01-480 7766

Spicer and Pegler & Partners

Northern Computers Ltd.

The Joint Receivers offer for sale the assets and goodwill of the above company located in substantial freehold premises in Frodsham, Cheshire.

The company is an established distributor of computer hardware and software. Turnover for the last six months to 31st October 1986 exceeded £650,000.

For further details contact the Joint Receivers, Maurice Withall and Allan Cuthbert, Grant Thornton, Heron House, Albert Square, Manchester M2 5HD. Tel: 061-834 5414. Telex: 667235. Fax: 061-832 6042.

Grant Thornton
CHARTERED ACCOUNTANTS

Company Notices

AMER GROUP LTD

NOTICE OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of the shareholders of Amer Group Ltd will be held at the Group's Head Office at Tamsala on Friday 19 December 1986 at 2 pm (Finnish time).

The meeting will deal with matters of ordinary business, complying with paragraph 15 of the Articles of Association.

According to the Articles of Association, any shareholder wishing to attend the Annual General Meeting should inform the Company's Head Office by letter to Amer Group Ltd, POB 12, SF-04501, Hyryla, Finland, not later than Tuesday 16 December 1986. A shareholder who has not been entered in the share register must provide evidence of his title to his share.

The dividend less statutory advance tax proposed by the Board of Directors shall be payable, subject to approval by the Annual General Meeting, at any office of Kansallis-Osake-Pankki in Finland from Monday 22 December 1986.

The right of exemption or reduction of advance tax will expire on 22 January 1987.

Copies of the documents concerning the closing of accounts are open for inspection by the shareholders as from Tuesday 9 December 1986 at the Group's Head Office at Tamsala. Upon request the Company will also send copies of the said documents to the shareholders.

BOARD OF DIRECTORS

PCB MANUFACTURE

The Receiver has for sale as a going concern the business and assets of Northern Circuits Limited.

Located at Donibristle Industrial Estate near Dunfermline, Fife, the business is ideally situated to service the micro-electronic industry in Central Scotland.

The assets for sale include freehold premises, printed circuit board production equipment, office equipment, stocks and goodwill, including access to employees.

Turnover — approximately £216,000 per annum.

Enquiries to: Murdoch L. McKillop or John Westers ARTHUR ANDERSEN & CO 44 Charlotte Square Edinburgh EH2 4HQ Telephone: 031 225 4554

Distributor of Computer Supplies

Our client is a national distributor of printwheels, ribbons, diskettes and other office equipment, which is based in Southern England

Principal features include:

- Well known trade name
- A range of top quality products
- Large widespread customer base
- Sales in excess of £2m
- Highly profitable

Enquiries from principals only should be directed to: C.M. Clayton, **Hill Samuel & Co. Limited** 100 Wood Street, London EC2P 2AJ

FOR SALE

Well established supply and distribution business of sports end tools to all types of industry. Official Kimberly-Clarke Distributors enjoying a turnover in excess of £500,000. Turnover for the current year up 13% on the corresponding period last year. Net profits (including directors salaries and pension contributions) in excess of £75,000. Purchase price to include the freehold property, stock, fixtures and fittings.

By application to: Box H1482, Financial Times, 10 Cannon St, London EC4P 4BY

TRAVEL AGENCY COMPUTER PACKAGE

A successful software house specialising in complete turnkey systems to the TRAVEL AGENCY BUSINESS for sale. Write Box H1683, Financial Times, 10 Cannon St, London EC4P 4BY

Cycle and Cycle Accessories WHOLESALER

Long established, having an extensive regional customer network, current T/O £250,000 pa. For further information reply to: Box H1482, Financial Times, 10 Cannon St, London EC4P 4BY

WEST MIDLANDS INDUSTRIAL INSTRUMENTATION COMPANY

FOR SALE Turnover approx £250,000 pa. Enquiries to: Box H1482, Financial Times, 10 Cannon St, London EC4P 4BY

MERCURY SELECTED TRUST (SICAV)

Registered Office: 10, Boulevard Roosevelt, Boffe postale 408, L-2014 Luxembourg R.C. Luxembourg: B-6317

NOTICE

Shareholders are advised that an important notice from the Board of Directors, informing shareholders that the Board does not propose to seek UK distributor status for the Company for accounting periods after 31st December, 1986 and announcing the Company's plans to develop new Funds within the Company, is available at the registered office of the Company, and from S. G. Warburg & Co. Ltd., Paying Agency, 6th Floor, 1 Finsbury Avenue, London EC2M 2PA and from the Company's other Paying Agents.

Copies of the Notice are being sent by post to registered shareholders.

Luxembourg, 25th November, 1986.

The Board of Directors

PRIVATE NURSING HOME

A prestigious Cheshire location. A large property refurbished to a high standard providing substantial accommodation. Full planning permission for further development.

Genuine enquiries only to: Box H1482, Financial Times, 10 Cannon St, London EC4P 4BY

PACKAGING DISTRIBUTION COMPANY

FOR SALE due to retirement of main shareholders/directors. Based South Midlands. £500K turnover. Interested principals reply to: Box H1482, Financial Times, 10 Cannon St, London EC4P 4BY

BRAMHAM PAPER LTD. Bradford

The Receiver offers for sale the business and assets of the above paper, board and envelope merchants who also act as retail and wholesale stationers.

Based in Bradford, the company's client base is in West Yorkshire. Employing eleven people, turnover year ending December, 1985, was £395,000.

For further details contact: The Receiver Peter Fleisher, Grant Thornton, Eldon Lodge, Eldon Place a Bradford, West Yorkshire BD1 3AP Tel: 0274 734 341 Telex: 51611

Grant Thornton
CHARTERED ACCOUNTANTS

Bank of Tokyo (Curaçao) Holding N.V.
£30,000,000

Guaranteed Floating Rate Notes Due 1990 unconditionally guaranteed by

The Bank of Tokyo, Ltd.

S.G. Warburg & Co. Ltd. Agent/Bank

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the three months period 21st November, 1986 to 21st February, 1987 has been fixed at 14 1/2 per cent. per annum. Coupons No.13 will therefore be payable on 23rd February, 1987 at \$1,480.62 per coupon from Notes of \$50,000 nominal and \$148.06 per coupon from Notes of \$5,000 nominal.

THE BRAZIL FUND SA
Sociedade de Investimentos em Bônus do Brasil

Bearer Depositary Receipts "BDRs" issued by European Overseas Securities Corporation

DIVIDEND CUPON No. 21

Compared with the previous year, the dividend for the period 1st January 1986 to 31st December 1986 is 100% of the dividend for the period 1st January 1985 to 31st December 1985.

For further information contact: S.G. Warburg & Co. Ltd., Paying Agency, 6th Floor, 1 Finsbury Avenue, London EC2M 2PA

BANCO DE LA NACION
LSS25,000,000

Floating Rate Notes due November 1986

Notice is hereby given in accordance with Article 5 (d) of the fiscal agency agreement that Banco de la Nacion has failed to pay principal and interest due on the above notes on November 20, 1986.

BANQUE INTERNATIONALE A LIENBURG
Societe Anonyme Fiscal Agent

UK COMPANY NEWS

ST IVEL PROGRESS GIVES PROFITS A SHARP BOOST

Unigate's £47m beats City hopes

Unigate yesterday revealed that its profits for the six months to September 30 had risen to £47.1m at the pre-tax level, an improvement of 37 per cent over last time's £34.4m.



Mr John Clement, chairman Unigate

of increase which they currently forecast in the recommended final.

(£18.8m). Unigate Dairies £14.5m (£14.3m). Wincanton (transport and distribution) £8.5m (£8.5m). Giltspur (transport, engineering and exhibition services) £3.4m (£2.6m) and international £4.9m (£5m).

Giltspur had a much improved start, with the UK exhibition services activities being particularly strong.

Pleasurama acquires Norscot for £11m

Pleasurama, the fast-growing casinos and leisure group, is making a £10.5m agreed cash offer for USM-quoted Norscot Hotels, which owns and operates a dozen hotels in Scotland and one in England.

Last stage of British Gas flotation gets under way

BY RICHARD TOMKINS

THE LAST stage of the British Gas flotation gets under way this week with the publication of the prospectus for its £3.6m offer for sale.

The prospectus shows that British Gas is forecasting a rise in pre-tax profits from £831m to £884m for the year to next March on an historical cost basis, putting the earnings on a prospective price/earnings multiple of 9.7.

In the after-market depends, and the TSB share price now down 25 per cent from its fleeting first-day peak—suggests that hyperbole and stock shortages are not enough to make them pay more for any size of issue than it fundamentally deserves.

Carroll profits push ahead to pass £13m mark

Carroll Industries, the Dublin-based cigarette and tobacco manufacturer, increased its pre-tax profits from £12.71m to £13.05m in the year to September 30 1986.

Crown House tableware loss

Crown House reported pre-tax profits 59.4 per cent down from £1.63m to £863,000 for the six months to September 30, due largely to a £941,000 loss in the tableware division, which includes Thomas Webb Crystal and Denby Tableware.

majority of the estimated 200m glasses given away by the oil companies over the past 15 months but this was more a function of the weakness of the franc than Crown's disdain.

year was solely for trading in the UK.

Marshalls Halifax up 26%

BY ALICE RAWTHORN

Marshalls Halifax, the concrete products, rock drilling and handling equipment group, yesterday reported a 26 per cent increase in pre-tax profits to £5.23m for the six months to the end of September 1986.

where demand is strongest. It also proposes to increase its capacity for block paving by investing in new plant which will produce an increase of between 20 and 25 per cent over the next 18 months.

Marshalls Halifax implemented a redundancy programme in the first half, which resulted in the loss of about 30 jobs. It has also exchanged contracts for the sale of its South African subsidiary, which acts as a marketing company for the Halifax Concrete Company.

Coated Electrodes up 25% and makes £2m purchase

IN ITS first results since coming to the Unlisted Securities Market in June, Coated Electrodes International reported an increase of 25 per cent in pre-tax profits for the six months to September 27 1986.

electrodes, rose from £2.01m to £2.52m and pre-tax profits came out at £553,000 (£528,000). AS forecast at the time of the flotation, the interim dividend is 1.3p. Earnings per 5p share were 4.7p (3.2p).

Unilock rises to £900,000

DIVIDENDS ANNOUNCED

Table with columns for Company Name, Dividend Amount, and Date. Includes Carroll Inds, Chamberlain Pumps, Coated Electrodes, Crown House, etc.

Sheraton sharply ahead at £1.73m

Property developer Sheraton Securities International raised its profits before tax from £661,000 to £1.73m in the half year ended September 30 1986.

Exports boost Sekers to £0.7m

Increased pre-tax profits, up by 14.4 per cent from £631,000 to £722,000, were yesterday reported by Sekers International for the six months to September 30 1986.

Penningtons Ward Bowie Cardales (City Office)

The Partners of Penningtons Ward Bowie are pleased to announce that they have acquired the practice of Cardales (City Office) and that Mr Cecil Benzecry of Cardales has joined them in Partnership.

Penningtons Ward Bowie also announce the opening on 24th November 1986 of their City Office at 57-59 London Wall, London EC2M 5TP. Telephone: 01-242 4422.

The 43 partners of the firm will continue to serve clients through their existing offices in London, Basingstoke, Bournemouth, Godalming, Newbury and Poole.

Advertisement for Rothschild's International Money Funds, featuring the firm's logo and contact information for N.M. Rothschild Asset Management.

Table titled 'GRANVILLE SPONSORED SECURITIES' listing various companies with columns for High/Low prices, Company names, Price Change, Dividend Yield, and P/E ratios.

Advertisement for Britannia Security £2.2m expansion, detailing the company's acquisition of Eurocrete Rentals and its plans for future growth.

Large advertisement for Unilock Holdings plc, featuring the company logo, 'Interim Results' table, and a detailed statement from the Chairman, Mr K.T. Roberts.

UK COMPANY NEWS

ICI decides to acquire balance of SAI shares

BY DAVID GOODHART

Imperial Chemical Industries has decided to acquire the 38 per cent of Scottish Agricultural Industries it does not already own for 265p a share in cash—valuing the stake at £8.4m.

The deal—which is supported by the SAI board—will leave ICI as a wholly-owned subsidiary of ICI but it will continue to trade under its own name.

There is a share alternative for SAI shareholders which provides them with ICI ordinary stock to the value of 245p per share.

SAI, which makes fertiliser and animal feed, made a loss of £355,000 in the last full financial year and a further loss

of £1.4m on turnover of £49.8m in the six months to June 30, 1986.

Directors of SAI blamed the losses on the bad weather in the late summer and autumn of 1985 which severely restricted autumn sowings and greatly reduced farm incomes.

However, the board of the company sees no prospect of returning to previous levels of profitability in the medium term and since the interim results the trading position of the fertiliser business has further deteriorated.

The directors say the ability to pay a final dividend is still in doubt.

ICI said that SAI's principal business will be retained and should be strengthened by linking them more directly with existing ICI operations in the same sector.

SAI states that it is already engaged in a "continual and essential cost reduction programme aimed at increased efficiency."

The company said last night: "The proposed closer co-ordination between SAI and ICI should enable better use to be made of the resources of the two companies. Job losses which may occur will be achieved wherever possible by voluntary redundancy or transfer."

ConsGold inquiry into share register

By Stefan Wegstl

Consolidated Gold Fields, the international mining group which has been at the centre of bid speculation in recent weeks, has started an investigation into "irregularities" in its share register.

It said it had called in the regulatory authorities to help in the inquiry. But the company declined to comment on the nature of the irregularities or to say to whom they had been reported.

Stockbroking analysts said that the company was probably concerned about blocks of shares held in unknown names which may, on examination, turn out to be connected. A potential bidder could, in this way, accumulate a stake without being immediately detected.

In 1979-80, De Beers Consolidated Mines, an associate of Anglo American, the South African mining conglomerate, secretly built up a stake in Gold Fields and followed this with a "dawn raid" angle through its associate Minereco new holds 28 per cent of Gold Fields.

Before the buyer's identity as revealed, Gold Fields warned its shareholders about the possibility of a "creeping acquisition."

Valuedale attacks 'lacklustre' performance from Simon

BY CHARLES BATCHELOR

Valuedale, the newly-created company which is making a partial takeover bid for Simon Engineering, yesterday launched a detailed attack on Simon's performance in the formal offer document sent to shareholders.

Sir David Nicolson, Valuedale chairman, said Simon was "a company with a sound basic business but its performance has been lacklustre and disappointing."

Simon had diversified without

first rectifying weaknesses within its existing companies, Sir David said. It had six divisions containing "sound businesses" which were surrounded and in some cases swamped by peripheral businesses which sapped its vitality.

Earnings per share growth had been 3.8 per cent a year since 1980 compared with average inflation of 6.6 per cent over the same period. This amounted to a real decline of more than 13 per cent over five years.

Valuedale plans to decentralise control of Simon's businesses, appoint suitable senior Simon executives to the Valuedale board and introduce share option and profit sharing.

The offer document reveals that Mr Philip Ling, who would become chief executive, would have a salary of £100,000 a year. Sir David would receive £30,000 a year and Mr Norman Ireland, another director designate, would receive £20,000 a year.

Tan Sri Khoo now has 6.3% of Standard Chartered

By Charles Batchelor

Tan Sri Khoo Teck Puan, the Malaysian businessman who built up a 5.03 per cent stake in Standard Chartered Bank during its defence of an unwelcome £1.3m takeover bid from Lloyds Bank in the summer, has increased his holding to 6.28 per cent.

Standard Chartered announced yesterday that Tan Sri Khoo had raised his stake to 9.77m shares. The bank said the purchase had come as no surprise, but it declined to comment further.

Tan Sri Khoo emerged as one of a trio of Far East businessmen who bought into Standard Chartered during the bid battle and helped scupper the Lloyds' campaign. The others were Sir Y. K. Pao, the Hong Kong businessman who bought a 14.9 per cent stake, and Mr Robert Holmes à Court, the Australian entrepreneur, who bought 7.4 per cent.

Tan Sri Khoo last week gave his support to a £872m agreed takeover bid from British & Commonwealth Shipping for Exco International, the money broking group in which he owns a 29.4 per cent stake.

JS Pathology calls for share suspension

Shares of JS Pathology, the USM-quoted clinical pathology company, were suspended yesterday at the company's request after they had climbed 43p on the day to 445p, valuing the company at \$52.5m.

JS Pathology provides pathological diagnostic services for GPs and consultants, analyses for health services centres, and clinical trials for pharmaceutical companies. It has recently enlarged its immunology department to help meet demand for a range of tests in this field, notably for AIDS.

The company joined the USM last year at a price of 160p per share, which valued the company at \$19.1m. Dr Jean Shanks, the chairman, owns 56 per cent of the equity.

In the year to the end of March, JS Pathology increased its pre-tax profits by 54.8 per cent to £2.16m while turnover was up 29.3 per cent to £5.52m.

Thos. Borthwick

Thomas Borthwick, the international food, meat and trading group, has reached agreement with the inland revenue on a refund of 50p from its UK pension scheme. It will amount to £6.9m gross or £4.2m net after deduction of the 40 per cent special tax.

BRICOMIN INVESTMENTS has increased its holding in steel Eric Holdings to 6.57m ordinary shares (58.43 per cent of the voting equity).

AE denounces T&N writ

BY DAVID GOODHART

AE yesterday denounced the writ issued against it by Turner & Newall and said that leading counsel had advised it that the writ "has no chance of success should the matter ever come to court."

The T & N writ arises from the narrow defeat of its bid for AE in September. The takeover Panel subsequently ruled AE's advisers had broken the rules in the course of defending the company and freed T & N to bid again.

AE and its advisers pay the costs arising from the aborted first bid.

Hill Samuel, AE's merchant bank, also said that it had consulted counsel over the writ it

had received and had been advised that "there is no merit whatsoever in the claims Hill Samuel will argue that it cannot possibly be in breach of contract with T & N as it had no contract to breach. AE and Hill Samuel are also expected to argue that as Takeover Panel rules do not have legal standing they cannot be accused of breaking the law."

AE has accepted a bid from Mr Robert Maxwell's Hollis Group which was increased last Friday from 260p cash a share to 280p—depending on the interest of a sufficiently large number of AE shareholders.

The deadline for deciding whether the interest is great enough runs out tonight.

Bailey may sell BCSR stake

C. H. Bailey, the controversial ship repairer and engineer, announced yesterday that it was currently negotiating over the possible sale of its 46 per cent stake in a second quoted company, Bristol Channel Ship Repairs.

But the company warned: "This announcement is being made in view of the price rise in BCSR's shares, not because there is any certainty about the outcome of the discussions."

Bristol shares have jumped from around 7p at the beginning of the month to the current 1986 high of 9p. Earlier this year they were as low as 4p.

Rumours of talks last January between Bailey—run by the eponymous and flamboyant chairman Mr Christopher Bailey—and Leichenstein-based Tifa AG, "controlled" by Mr David Mitchell, gave the shares their last major flurry.

Since then, C. H. Bailey has

reduced its majority stake to the current level while Tifa, according to the latest published information, has raised its holding slightly to 12.13 per cent. It also holds 22 per cent of the ordinary shares in C. H. Bailey Ship Repairs made a £358,000 loss in the year to end-March.

Batchelors hearing

Batchelors Foods, a subsidiary of Unilever, was yesterday the subject of winding up proceedings brought before the High Court by R. D. Hats and Garments.

Counsel for Batchelors told the court that his clients opposed the petition and that the debt had been disputed even before presentation of the petition. "The amount in dispute was not revealed. The petition was adjourned for hearing today."

Strong backing for Berkeley bid

BY CHARLES BATCHELOR

THE PROPOSAL by Berkeley Technology, the development capital company, to make a £20m agreed takeover bid for John Govett and Co, the fund management company, was approved by three of Govett's main shareholders yesterday.

Shareholders in three Govett investment trusts, which together own 57 per cent of the fund management company, voted overwhelmingly to back the plan despite opposition from the British Steel pension fund.

Mr Paul Oldham, investment

manager of the pension fund, and a director of two of the investment trusts, had opposed the deal because he wanted the three investment trusts to retain majority control of the management company.

This would have ensured management of the trusts remained a priority of the fund management group, he said.

At separate extraordinary meetings yesterday shareholders of Govett Strategic Investment Trust voted 42m to 5m votes in favour of the deal. At Govett

Oriental they voted 40m to 30m in favour. The vote against included 18m votes from the British Steel pension fund. At Govett Atlantic they voted 34m to 21m in favour. The vote against included the pension fund's 14m votes.

"This is a fairly resounding rebuff to the BSC pension fund," said Mr Donald Adamson, an assistant director of Berkeley. "Clearly we are delighted."

COMPANY NEWS IN BRIEF

SPRING RAM Corporation, manufacturer of quality bathroom and kitchen products, has made its first acquisition, buying Ballyerly Bathrooms for £700,000 cash. Ballyerly is a Stoke-based manufacturer of vitreous china sanitaryware. At October 31 1985 Ballyerly had £415,000 net tangible assets and for the six months ended on that date made pre-tax profits of £78,000.

EMAP, the newspaper and magazine publisher, will treat Home Counties Newspapers as

an associate company after raising its holding to 20.01 per cent. Mr Frank Rogers, chairman, said: "There is no intention of any takeover talks with Home Counties at the present time."

LOGICA is selling a small part of its operations to Santa Cruz Operation, a California-based software company which wants to expand into Europe. Logica is selling assets with a book value of £578,000 (including £200,000 cash) involved in the development of a computer

operating system, known as Xenix. On completion, Logica will receive £153,000 net and shares in Santa Cruz (representing less than 2 per cent of its capital), plus £875,000 cash to be paid over the next 20 months.

PROPERTY PARTNERSHIPS (property developer and investor): Interim dividend 1.1p (0.85p) for the six months to September 27 1986. Turnover £13.7m (£13.21m) and pre-tax profit £952,000 (£830,000). Net profit £934,000 (£815,000), after tax of £18,000 (£15,000). Earnings per share 23.2p (20.5p). Second half unlikely to be as good as first half as pulp prices are rising rapidly while paper prices lag behind.

Directors confident of satisfactory full year.

JAMES CROPPER (paper manufacturer): Interim dividend 1.1p (0.85p) for the six months to September 27 1986. Turnover £13.7m (£13.21m) and pre-tax profit £952,000 (£830,000). Net profit £934,000 (£815,000), after tax of £18,000 (£15,000). Earnings per share 23.2p (20.5p). Second half unlikely to be as good as first half as pulp prices are rising rapidly while paper prices lag behind.

ANOTHER PUSH FORWARD

Interim profits rise by over 30% for second successive year.

In the first half of 1986/87, Unigate's pre-tax profits were £47.1m; an increase of 37% on the previous year.

Which means that they're currently very nearly double the level of three years ago.

The success of our highly disciplined approach to corporate development is now beyond doubt.

We've shown our ability to stay ahead of the competition by anticipating market trends. (Like the move towards healthier eating that has taken St Ivel brands like Gold, Shape and Real to new heights in the market.)

We've proved the value of our strategically balanced approach to acquisitions and investment. (Four companies acquired in the last six months give us new strengths in fresh chilled vegetables, in animal feed and grain, in vehicle auctions, and in restaurants in the Southern USA, and we've committed major investment to extend our lead in a number of key business areas as well.)

We've demonstrated strong financial management skills. (Finance charges are down by 54% for the half year, for example.)

For our interim results in detail, and a copy of the accompanying Chairman's statement, please write to the Secretary, Unigate House, Western Avenue, London W3 0SH.

They'll show you a company with the muscle to meet today's challenges.

And with stamina for the future, as well.

Unigate

FOOD · TRANSPORT · INDUSTRIAL SERVICES

HARRISONS MALAYSIAN PLANTATIONS BERHAD						
(Incorporated in Malaysia)						
INTERIM REPORT FOR THE SIX MONTHS TO 30th SEPTEMBER, 1986						
The Directors announce that the unaudited results for the six months to 30th September, 1986 were:						
	Group			Company		
	1986	1985	%	1986	1985	%
Turnover	262,990	447,171	(41)	9,282	21,249	(55)
Investment & other income	10,296	10,961	(6)	3,492	5,888	(40)
Operating profit	28,178	74,802	(62)	3,459	17,765	(81)
Associated Companies	2,475	1,715	44	—	—	—
Profit before taxation	30,653	76,517	(60)	3,459	17,765	(81)
(See Note 1)						
Taxation	10,425	30,940	(66)	1,733	7,961	(78)
(See Note 2)						
Profit after taxation but before extraordinary items	20,228	45,577	(55)	1,726	9,804	(82)
Minority interests	218	49	—	—	—	—
	20,010	45,528	(56)	1,726	9,804	(82)
Extraordinary items	869	2,786	(69)	—	—	—
(See Note 3)						
Profit attributable to shareholders	20,879	48,114	(57)	1,726	9,804	(82)
	Group			Company		
	1986	1985	%	1986	1985	%
(1) After charging						
—Interest	339	479	(29)	1	12	(92)
—Depreciation	11,800	10,229	15	209	233	(6)
(2) Taxation includes						
—Malaysia	10,222	30,736	(77)	1,783	7,961	(78)
—Associated Companies	202	204	(1)	—	—	—
(3) The extraordinary items comprise the following:						
Surplus on liquidation	869	1,998	(57)	—	—	—
Profit on sale of land	—	140	—	—	—	—
Profit on sale of investments	—	648	—	—	—	—
	869	2,786	(69)	—	—	—
(4) The comparatives have been adjusted to take into account the effect of valuing produce stocks at cost.						
	Group			Group		
	1986	1985	%	1986	1985	%
Profit after taxation but before extraordinary items as a percentage of turnover	7.7%	10.1%		7.7%	10.1%	
Profit after taxation but before extraordinary items as a percentage of shareholders' funds	1.2%	2.7%		1.2%	2.7%	
Net earnings per share (in sen)	3.97	8.97		3.97	8.97	
Net tangible asset backing per share						

Palm product prices during the period fell to their lowest levels in real terms for the last 50 years. Therefore, these results compare most unfavourably with the corresponding period last year during which prices reached their historical peak. Since the end of the period last year during which prices reached their historical peak, and other commodity prices the half year palm prices have recovered and if these and other commodity prices remain at current levels an improvement in the profits can be expected in the second half.

HARVESTED CROPS—TONNES

	Six months to	Six months to
	30.9.86	30.9.85
FFB	424,347	396,782
Palm oil	88,899	82,397
Palm kernels	26,441	23,025
Rubber	25,715	27,168
Cocoa	2,199	2,376
Copra	3,890	3,789

By Order of the Board
Mohd. Nadzir Mahmud
Secretary

KUALA LUMPUR
24th November, 1986

THE SCOTTISH NATIONAL TRUST PLC

Financial year ended 30th September 1986

GROSS REVENUE
Increased 8.5 per cent to £8,287,845.

EARNINGS
Increased 10.4 per cent to 5.96p per share.

DIVIDEND
Increased 10.3 per cent to 5.35p per share.

NET ASSET VALUE
Increased 26.7 per cent to 357p per share.

OUTLOOK
Too much may have been expected too soon from the measures agreed between the finance ministers of industrial countries a year ago to stimulate economic growth. If these measures have been effective, we expect the American balance of trade deficit to improve and the economy to revive in the year ahead. The outlook for the British market remains favourable with good prospects for company profits and with oil prices beginning to improve. The Japanese market will remain volatile following its strong performance in the past year. The portfolio distribution at the year end was 46% invested in U.K. equities, 26% in America, 13% in Japan, 6% in Hong Kong and Singapore and 9% in fixed interest securities.

Copies of the 1986 Annual Report are obtainable from the Secretaries, Gartmore Investment (Scotland) Limited, Ashley House, 191-195 West George Street, Glasgow G2 2HD.

PRIVREDNA BANKA ZAGREB FLOATING RATE NOTES DUE 1986

In accordance with the conditions of the Notes, notice is hereby given that for the period 25 November 1986 to 22 December 1986 (27 days) the Notes will carry an interest rate of 8%.

Relevant interest payments will be as follows:
Notes of US\$1.00 US\$6.00 per coupon
CREDIT LYONNAIS (London Branch)
Agent Bank

FULCRUM INVESTMENT TRUST P.L.C. Preliminary results (subject to audit)

	Year ended 31.10.86	Year ended 31.10.85
Net Revenue before tax	£271,257	£198,036
Dividends per Income share	5.80p	5.60p
Net asset value per:		
Income Share	41.36p	41.31p
Capital Share	10.32p	7.49p

Second Interim Dividend in lieu of Final of 3.60p per Income share, making 5.80p per share for the year (5.60p per share) payable 31st December 1986 to shareholders registered 4th December 1986.

Maunby Investment Management Ltd., Forester House, 41 Forester Street, North Yorkshire YO1 5BT.

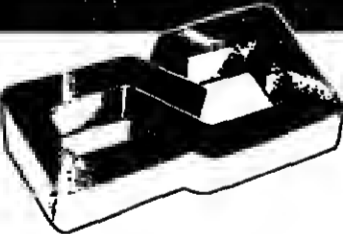
NOTICE OF INTEREST RATE KINGDOM OF DENMARK ECU 150,000,000 Floating Rate Notes Due 1990

NOTICE IS HEREBY GIVEN that the interest rate covering the interest payment period from November 15, 1986 to February 15, 1987 (92 calendar days) has been fixed at 7.483%. The accumulated interest rate factor per ECU 1,000 denomination is 18.0751.

CITIBANK, N.A., Agent
November 18, 1986

Correction to NOTICE OF REDEMPTION The City of Oslo 10% External Bonds due 1990 published in the Financial Times on November 15 1986. BOND NO. 2387 should read 2427 BOND NO. 2394 should be inserted UNIFORM BOND NO. 14719

COMPAGNIE FINANCIERE DE CREDIT INDUSTRIEL ET COMMERCIAL



CIC GROUP

CONSOLIDATED NET RESULTS FOR THE FIRST SIX MONTHS OF 1986 ENDING JUNE 30

The consolidated financial results of CIC Group for the first semester of 1986 as well as the overall prospects for 1986 financial year come out satisfactory.

Activities and consolidated results

Consolidated net banking revenues total FF6,377 million and income before tax FF952 million, i.e. a 41% increase compared with half of the 1985 income before tax. This significant growth has been achieved despite an increase in reserves aimed at insuring a sufficient country risk coverage. In terms of total net worth, the first semester of 1986 experienced an increase in the Group's consolidated shareholders' equity which rose from FF7,015 million to FF8,508 million, including minority interests and the "titres participatifs" issued by the Group. This increase was essentially due to the issue of "certificats d'investissement" by CIC Compagnie Financière and to the retained earnings of 1985.

Global prospects

Taking into account evolution of interest rates, the Group's net income for the whole financial year will not register an increase as significant as that of

the income before tax for the first semester of 1986. Net income excluding extraordinary items should however significantly exceed that registered in 1985, and total net income should also be showing progress despite a possible decrease in extraordinary revenues.

Parent Company: Compagnie Financière de CIC

Income before tax for the first semester of 1986 amounts to FF330 million compared with FF74 million for the same period in 1985. This significant increase is due to the fact that the Company has collected all the dividends to be received in 1986, i.e. FF191 million, and to extraordinary capital gains on the issue of the "certificats d'investissement", i.e. FF94 million. Income before tax for the second semester of 1986 should derive exclusively from cash management revenues, which totalled FF37.9 million during the first semester. Net income should amount to approximately FF250 million, excluding potential reserves for equity interests and subsidiaries, which are not considered necessary for the time being. The 1986 net dividend attributable to the "certificats d'investissement" should reach approximately FF10 per share.

UK COMPANY NEWS

Chamberlain 14% ahead at £2.4m

Chamberlain Phipps increased its first half profits by a little over 14 per cent and said yesterday that provided there was no adverse change in the UK or world economies, it was confident of a satisfactory improvement at the pre-tax level for the year as a whole.

For the first six months to September 30, turnover pushed ahead from £47.29m to £50.22m and profits by £302,000 to £2.41m pre-tax.

The interim dividend is being increased from 1.1p to 1.5p net. The general industries division increased its profits both in the UK and overseas, and in the adhesives businesses, which now contribute a third of group trading profit, the directors are pursuing further expansion.

The shoe components sector performed well overseas, assisted by the action taken to eliminate the loss-making business of Vinalux America—the assets of this subsidiary were sold to Unico of Massachusetts. Part of the investment in a small New Zealand subsidiary has also been sold with the company becoming an associate. All companies within the UK performed satisfactorily with the exception of the injection moulding subsidiary where a major reorganisation is in hand.

The group has been developing profitably the use of its transport fleet, and in October acquired M & B Transport (Northampton) for a maximum

£450,000. Pre-tax profits for the opening six months included a £3,000 share of related companies losses (profits £12,000). Interest charges accounted for £458,000 (£681,000). Tax took £98,000 (£99,000) and minorities £124,000 (£139,000). Attributable profits emerged at £1.23m, against a previous £975,000.

Earnings per 10p share worked through 0.98p ahead at 3.72p.

● **comment**
Growth has been non-existent at Chamberlain Phipps for the last 18 months and the shares, currently 84p, have depended on a 7 per cent yield for support. This time the increased profit

was largely due to loss elimination at Vinalux America and to the fall in the interest charge. The improvement in overseas shoe components was cancelled out by problems in UK injection moulding. However, there are encouraging long-term signs. Chamberlain diversified into adhesives in the early eighties and profits up 30 per cent this half show the investment is reaping rewards. With Italy making its first positive contribution, pre-tax profits for the full year are likely to edge up to £5.6m, putting the prospective p/e at 10. In the short term, Chamberlain may need to make some acquisitions to buy some quick growth lest it become a takeover target itself.

Parklands up 72% halfway

Parklands Textile (Holdings) reported pre-tax profits up from £803,000 to £823,000 for the six months to August 29, a rise of 72.6 per cent.

Mr Barry Spencer, chairman and managing director, said performance had improved because the company had made progress in solving the clothing division's losses.

Changing market conditions,

including the clothing trade's desire for a faster service and less stocks, had affected the type of products the company was developing and the machinery installed.

All clothing and clothing manufacturer was even more determined to rationalise and streamline in order to react quickly to customers' requirements, he said.

Group turnover, excluding

inter-company sales, increased marginally to £28.67m, up from £27.57m, while interest charges fell from £548,000 to £411,000.

Earnings per share rose from 2.3p to 5p.

The interim dividend will stay the same at 1.6p on both the ordinary and "A" ordinary. For all of 1985/86 the pre-tax profit was £1.23m and total dividends 4.8p.

The shares fell 5p to 131p.

Rexmore at £0.4m and optimistic

Rexmore, supplier and distributor of fabrics, raised its profits from £314,000 to £398,000 pre-tax over the half year to September 30 1986. Turnover pushed ahead from £13.99m to £16.64m.

The directors said yesterday that the company had achieved its internal budgets and all divisions had performed well. The level of activity in the early weeks of the third quarter was up to forecasts and if maintained at budgeted levels, should justify the optimism expressed by Mr Abraham Rosenblatt, the chairman, in his August statement.

Earnings for the first six months worked through at 2.6p (2.17p) per 3p share after tax of £67,000 (£31,000). The interim dividend is being lifted to 0.45p (0.4p) net.

Interest charges fell to £99,000 (£82,000), reflecting receipt of the consideration for the sale in May for £1.75m net of a holding of shares in Berisford Group.

Improved margins for Sarasota

Sarasota Technology, a high technology instrumentation group, reported a 13.7 per cent increase in first half profits and predicted a continued improvement in the second half.

Profits before tax for the six months to September 30 rose to £85,000 compared with £75,000 previously. Turnover rose to £4.91m from £4.54m.

The interim dividend is being increased by 14 per cent, from 0.7p to 0.8p net for 10p share. Earnings advanced 20 per

cent to 3.06p. The introduction of new products assisted the growth in sales, while improved operating methods and strengthened divisional management contributed to increased profit margins.

The market for traffic products continued to provide the most significant contribution to group sales and profits. A strong performance in the US more than offset lower sales in the UK local authority market. Traffic product sales in Europe improved, bringing

some recovery in this area. Sales of instrumentation products, made mostly to the petrochemical industry, improved in the UK and the US, while European sales were weaker than those for the prior half year.

The outlook for the remainder of the year is described as encouraging. Both inquiries and orders were showing an upward trend.

Sarasota was searching for suitable acquisitions on both sides of the Atlantic.

APPOINTMENTS

ICI treasury posts

Mr Philip G. Rogerson, a director of ICI's petrochemical and plastics division, has been appointed ICI group treasurer from December 1. He succeeds Mr J. Archie Donaldson who retires at the end of December.

Mr Keith D. Elmy, formerly a director of ICI's plant protection division, has been appointed a corporate treasurer, with responsibility for the Far East and Australasia, in addition to Mr Adrian R. Auer and Mr Bernard Rissick, who are responsible for Europe and the Americas respectively.

BRITISH RAIL ENGINEERING has appointed two non-executive directors: Sir David Nicolson is chairman of Vickers Shipbuilding & Engineering, European adviser to the New York Stock Exchange, and non-executive chairman of Northern Telecom; Mr John O. R. Darby is chairman of Arthur Young, and non-executive chairman of the National Home Loans Corp.

Mr Howard R. Grant has been appointed to the board of the following companies as chairman: WESTINGHOUSE BRAKE AND SIGNAL COMPANY (AUSTRALIA) - Westinghouse Brakes, Westinghouse Signals, Westcode Inc, Dimetric S.A. and Safetran Systems Corporation. He was managing director and deputy chairman of Westinghouse Brakes and Signal Company (Australia). He takes up his new post at the UK headquarters of Westinghouse in Chippendale, Wiltshire. Mr David L. Allen has been appointed managing director

of Westinghouse Brake and Signal Company (Australia). He was director and general manager of this company and will be based in Windsor, Victoria.

BLOOMSBURY PUBLISHING has appointed Mr Nigel Batt as finance director. He was with Hodder & Stoughton.

Mr Hugh MacLaren has been appointed to the board of Edinburgh-based HALL ADVERTISING as financial director. He has been promoted from company secretary.

Mr Keith Steel has been appointed to the board of MACDONALD AND MUIR, Scotch whisky distillers of Edinburgh. He was a regional manager.

Mr John Kelley Colman, of The Riggs National Bank, international division, has been appointed a non-executive director of AP BANK, London, following the resignation of Mr David Fluke Collins. AP Bank is a subsidiary of The Riggs National Bank of Washington DC.

Mr George Müller has been appointed a non-executive director of COMCAP, London, a European computer leasing company. He is a senior vice president of Uhag Obersee-Handel, Zurich.

Mr John McNeill has been appointed a non-executive director of Merrill Lynch as a relationship manager with investment banking, with responsibility for clients in Canada. He will be an executive director of MERRILL LYNCH EUROPE, and will be joined by Mr Patrick Schegg to assist him with his Canadian client responsibilities. Mr Schegg will be a vice president of Merrill Lynch Europe. Both joined from the Union Bank of Switzerland in London.

Mr John Ould, financial controller of Reed International, has been appointed vice chairman of the ACCOUNTING STANDARDS COMMITTEE.

Sir John Kingman, vice chancellor of Bristol University, has been appointed a director of NATIONAL WESTMINSTER BANK'S south-west regional board. He also a non-executive director of Beecham Group and IBM (UK).

Mr George Stephens has been appointed a director of H. CLARKSON AND CO.

Mr John L. Kaye has been appointed general manager of THE AGRICULTURAL MORTGAGE CORPORATION. He takes over from Mr Peter Carroll, who is retiring as general manager on January 1. Mr Carroll will remain as a non-executive director. Mr Kaye was previously director of the banking division of Standard Chartered Merchant Bank.

Mrs Sue Coomber has been appointed a director of COMMERCIAL UNION TRUST MANAGERS. She joins GUY from Schroder Unit Trust Managers.

"IN SHOPS" has appointed Mr John Hoesli managing director from January 1. Company founders, Mr Alan Fitzpatrick and Mr David Newman, joint chairmen. Mr Hoesli has over 20 years' retail management experience within the Owen Owen Group, from trainee to managing director including nine years on the main board.

At THOMAS FRENCH & SONS Mr John Denny has resigned his non-executive directorship. He joined the board in 1974 following the acquisition of a substa-

NOTICE OF REDEMPTION



The Sarwa Bank, Limited

US\$ Floating Rate Certificates of Deposit
No. C 00031 - C 00060
Issued on December 31, 1982
Maturity December 31, 1987
Callable December 31, 1986

Notice is hereby given in accordance with the conditions of the above Certificates of Deposit (the "Certificates") as printed on the reverse of the Certificates that The Sarwa Bank, Limited (the "Bank") will prepay all outstanding Certificates on December 31, 1986 (the "Prepayment Date") at their principal amount.

Payment of the principal amount, together with accrued interest to the Prepayment Date, will be made on the Prepayment Date against presentation and surrender of the Certificates at New York Branch of The Sarwa Bank, Limited, 200 Park Avenue, New York, New York 10166.

Interest will cease to accrue on the Certificates on the Prepayment Date.
Dated at New York, this 26th day of November, 1986.

SHERATON SECURITIES INTERNATIONAL PLC

- Profit before tax up 160%
- Earnings per share doubled
- Increased interim dividend

INTERIM RESULTS

	HALF YEAR TO 30 SEPTEMBER 1986	1985	YEAR TO 31 MARCH 1986
	£'000	£'000	£'000
Rental income	556	436	922
Property sales and fees	5,718	2,275	7,147
Profit before taxation	1,725	661	2,323
Earnings per share	1.6p	0.8p	2.7p
Dividend per share	0.375p	0.25p	0.75p

For copies of the Chairman's Statement and Half Year Results write to the Financial Director SHERATON SECURITIES INTERNATIONAL PLC 77 SOUTH AUDLEY STREET LONDON W1R 5TA.



Time is money Trust is gold

Cariplo, one of the largest Banking groups in Italy. Headquartered in Milan and linked on-line with over 500 branches throughout Italy, Cariplo is able to provide full banking and financial related services along with financial planning advice. Worldwide, Cariplo maintains relationships with more than 1800 correspondents. It also has branches in New York and London, 6 Bishopsgate, London EC2N 4AE, Telex: 887641, Tel: 283 3166, and representative offices in Beijing, Brussels, Frankfurt, Hong Kong and Paris, among the most important financial centres in the world. Cariplo keeps you up-to-date with the world's economy.

GARIPLLO

CASSA DI RISPARMIO DELLE PROVINCE LOMBARDE
The bank you can trust.

Handwritten signature or stamp at the bottom of the page.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Unit Trust, Abbey Unit Trust, etc. with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Main table listing numerous unit trusts including Abbey Unit Trust, Abbey Unit Trust, Abbey Unit Trust, etc. with columns for name, manager, and other details.

JOTTER PAD advertisement for Chase de Vere's Unit Trust Outlook, featuring a crossword puzzle and contact information.

FT CROSSWORD PUZZLE No. 6,186 advertisement with a crossword puzzle grid and clues.

INSURANCES advertisement listing various insurance companies and their services.

AUTHORISED UNIT TRUST & INSURANCES

Main table containing financial data for various unit trusts and insurance companies, including names, codes, and numerical values.

Handwritten signature or mark at the bottom center of the page.

Handwritten note: 20/11/86

INSURANCE, OVERSEAS & MONEY FUNDS

Table listing various insurance and financial services, including Knight Wilkins & Company Ltd, Standard Life Assurance Co Ltd, and others.

Table listing international and overseas funds, such as International Specialty Fund, International Growth Fund, and others.

Table listing money funds and investment services, including Money Market Trust Funds, Money Market Bank Accounts, and others.

Table listing additional money funds and investment services, including Money Market Trust Funds, Money Market Bank Accounts, and others.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment funds, including various international and global funds.

Table listing international and overseas funds, such as International Specialty Fund, International Growth Fund, and others.

Table listing money funds and investment services, including Money Market Trust Funds, Money Market Bank Accounts, and others.

Table listing additional money funds and investment services, including Money Market Trust Funds, Money Market Bank Accounts, and others.

MANAGEMENT SERVICES

Table listing management services and financial planning firms, including various advisory and investment management companies.

Table listing international and overseas funds, such as International Specialty Fund, International Growth Fund, and others.

Table listing money funds and investment services, including Money Market Trust Funds, Money Market Bank Accounts, and others.

Table listing additional money funds and investment services, including Money Market Trust Funds, Money Market Bank Accounts, and others.

TRADITIONAL OPTIONS

Table listing traditional options and 3-month call rates, including various financial instruments and their rates.

Notes and additional information regarding the financial data and services listed.

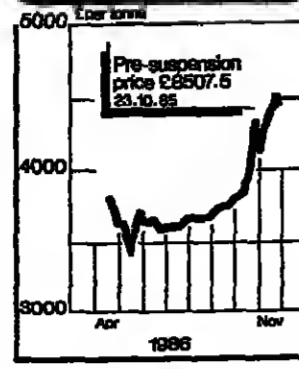
COMMODITIES and AGRICULTURE

Producers may ask banks to hold on to surplus tin

BY WONG SULONG IN KUALA LUMPUR AND STEFAN WAGSTIL

THE ASSOCIATION of Tin Producers in Malaysia is considering appealing to banks holding surplus tin to keep it in the market...

TIN: FREE MARKET



Prices on the Kuala Lumpur Tin Market slipped 14 cents yesterday to 18.06 ringgit a kilogram but they remain close to their highest levels for eight months...

African coffee revival planned

AFRICAN COFFEE producing countries have agreed to co-operate on efforts to boost the continent's flagging output and market share...

Shipments plans BRAZIL IS likely to make a start this week on a plan to revive coffee production...

Brazil adds to coffee confusion

BY ANN CHARTERS IN SAO PAULO

THE RECENT uncertainty surrounding Brazil's coffee policies can only increase as a result of last Friday's Government decision to abolish the Brazilian Coffee Institute (IBC)...

Institute. The future of this Institute's functions is also up in the air. Traders regard the move as heavily given what they see as the IBC's recent loss of credibility...

actual policy made either within the Ministry of Commerce and Industry where the IBC is now located or within the Agriculture Ministry...

Maize subsidy worries UK traders

BY JOHN BUCKLEY

A SURPRISE European Commission decision to subsidise French maize exports to Spain to help them compete against US shipments...

maize that the Commission must allow to Spain or other EEC countries. What has annoyed the British trade, however, is that following strong pressure from the British Maize Producers' Association (AGPM)...

agreed third country imports of 1.4m tonnes over six months. But a further 600,000 tonnes of subsidised French maize imports crammed into the same period could be bad news for British exporters...

France fears losing Senegal wheat market

FRANCE IS concerned that a deal being negotiated by Senegal to buy all its wheat from the US could deprive France of one of its major African export markets...

During the 1983-84 campaign France sold 191,500 tonnes of soft wheat to Senegal, compared with 118,400 tonnes in 1984-85.

Chinese grain

CHINA'S GOAL is to produce 480,000 tonnes of grain a year, 75,000 tonnes more than the 1984 record, Deng Xiaoping, the country's leader, was quoted as saying in the China Daily yesterday...

Indian wheat

AN AGREEMENT on Soviet purchases of Indian wheat is expected to be signed during Mr Gorbachev's visit to India this week...

Rubber pact talks

LAST WEEK'S meeting of rubber producing and consuming country delegates in Kuala Lumpur ended with a conclusion on the future of the International Natural Rubber Agreement...

EEC still deadlocked on green currency plan

THE EEC is still deadlocked on its proposals for a green currency plan...

The package of agricultural measures aimed primarily at defusing tensions among French lamb producers and British beef farmers was discussed by agricultural experts from member states at their weekly meeting in Brussels yesterday but no agreement was reached...

LONDON METAL EXCHANGE

Table showing metal prices for Aluminium, Copper, Lead, Nickel, Tin, Zinc, and Silver.

Nitrogen and the farm surplus problem

EVENTS IN Denmark, where the parliament called last week for measures to reduce pollution caused by nitrogen fertilisers...



By John Cherrington. The Folkeking's decision, which could lead the Government to enforce a 25 per cent cut in the use of fertilisers by Danish farmers...

Many farmers on poorer soils have to use extra nitrogen to boost yields to the levels possible on better land. It would also be a more exact method of output control as compared with production quotas or a land set-aside programme...

FARMER'S VIEWPOINT

The advent of synthetic nitrogen has led to a great intensification of agriculture, with farmers having to keep up with the increasing yields of their neighbours if they are to survive...

LONDON MARKETS

PRECIOUS METALS lost further ground on the London bullion market yesterday, although prices ended above the day's lows...

INDICES

Table showing various indices including REUTERS and DOW JONES.

MAIN PRICE CHANGES

Table showing price changes for METALS.

NEW YORK

Table showing price changes for ALUMINIUM 40,000 lbs.

CHICAGO

Table showing price changes for LIVE CATTLE and LIVE HOGS.

COFFEE

Table showing price changes for COFFEE.

COCOA

Table showing price changes for COCOA.

SOYABEAN MEAL

Table showing price changes for SOYABEAN MEAL.

POTATOES

Table showing price changes for POTATOES.

GRAINS

Table showing price changes for GRAINS.

WHEAT

Table showing price changes for WHEAT.

MEAT

Table showing price changes for MEAT.

COTTON

Table showing price changes for COTTON.

US MARKETS

CRUDE OIL futures slipped in sluggish volume, with the leading January delivery slip approaching the close 44c under on the day at \$26.44...

ORANGE JUICE

Table showing price changes for ORANGE JUICE.

SILVER

Table showing price changes for SILVER.

SUGAR WORLD

Table showing price changes for SUGAR WORLD.

MAIZE

Table showing price changes for MAIZE.

PORK BELLIES

Table showing price changes for PORK BELLIES.

SOYABEANS

Table showing price changes for SOYABEANS.

COTTON

Table showing price changes for COTTON.

HEATING OIL

Table showing price changes for HEATING OIL.

WHEAT

Table showing price changes for WHEAT.

SPOT PRICES

Table showing price changes for SPOT PRICES.

FREIGHT FUTURES

Table showing price changes for FREIGHT FUTURES.

GAS OIL FUTURES

Table showing price changes for GAS OIL FUTURES.

against 1,225 tonnes in the previous week.

Oil

In very thin trade December Brent fell 20c during the afternoon. January WTI opened unchanged on Nymex and traded 25c down at 1.30 pm EST after thin morning trade...

CRUDE OIL

Table showing price changes for CRUDE OIL.

PRODUCTS

Table showing price changes for PRODUCTS.

WHEAT

Table showing price changes for WHEAT.

GRAINS

Table showing price changes for GRAINS.

sugar and coffee produced on a smaller scale, reports C. Comstock.

No. 5 Contract

Table showing price changes for No. 5 Contract.

WHEAT

Table showing price changes for WHEAT.

SPOT PRICES

Table showing price changes for SPOT PRICES.

FREIGHT FUTURES

Table showing price changes for FREIGHT FUTURES.

GAS OIL FUTURES

Table showing price changes for GAS OIL FUTURES.

RUBBER

PHYSICALS - The London market opened slightly weaker, attracted by interest at the higher levels and closed quiet, reports Lewis and Peat. Closing prices (pounds) for 100 lbs (same): 100 (20.00), 110 (21.00), 120 (22.00), 130 (23.00), 140 (24.00), 150 (25.00), 160 (26.00), 170 (27.00), 180 (28.00), 190 (29.00), 200 (30.00).

SUGAR

Reports that the Brazilian government had reorganised the marketing of

CURRENCIES, MONEY & CAPITAL MARKETS

FOREIGN EXCHANGES

Nervous before trade figures

THE DOLLAR weakened in thin and nervous trading ahead of today's figures on US durable goods...

1.9325 from FF 84125 and 1.9325 from 2233.50. Oil prices were steady, but sterling was nervous ahead of today's October UK trade figures...

FINANCIAL FUTURES

Gilt prices recover

LONG GILT contracts moved firmer in the London International Financial Futures Exchange yesterday...

The visible and current account balance. US Treasury bonds also finished higher on the day as the prospects of a further slowdown in the US economy...

Three-month sterling deposits were unchanged on the opening and slightly up from Friday in rather quiet trading...

STERLING INDEX

Table showing Sterling Index values for various currencies including US Dollar, Swiss Franc, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table showing EMS European Currency Unit Rates for various countries like Belgium, France, Germany, etc.

£ IN NEW YORK

Table showing £ in New York rates for different time periods and currencies.

POUND SPOT - FORWARD AGAINST THE POUND

Table showing Pound Spot and Forward rates against the pound for various currencies.

LONDON

Table showing London market rates for various currencies and instruments.

CHICAGO

Table showing Chicago market rates for various currencies and instruments.

JAPANESE YEN (BANK)

Table showing Japanese Yen bank rates for various currencies.

CURRENCY RATES

Table showing Currency Rates for various currencies like US Dollar, Swiss Franc, etc.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table showing Dollar Spot and Forward rates against the dollar for various currencies.

THREE-MONTH EURO-DOLLAR

Table showing Three-Month Euro-Dollar rates for various currencies.

THREE-MONTH STERLING

Table showing Three-Month Sterling rates for various currencies.

THREE-MONTH EURO-STERLING

Table showing Three-Month Euro-Sterling rates for various currencies.

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Overnight money

Overnight money started at 11-10 1/2 per cent and eased to 11-11 1/4 per cent...

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Notes and disclaimers regarding the accuracy of the data and the responsibility of the publisher.

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FINANCIAL TIMES

WORLD STOCK MARKETS

WALL STREET

Rising bonds encourage further gains

BUOYED by a rising bond market, futures related buy programmes and a growing conviction that the stock market can build on last week's gains, share prices advanced moderately on Wall Street yesterday, writes *Roderick Oram* in New York.

The bond market was encouraged by buying from abroad and a positive view, on balance, about economic figures to be released this week.

The Dow Jones industrial average closed up 12.51 at 1,906.07, its first close above 1,900 in almost three months. The New York Stock Exchange composite index gained 0.75 of a point to close at 141.69 on volume of 158.8m shares, with advancing shares outpacing falling by a four-to-three margin.

Among blue chips IBM advanced 5 1/2% to \$124, American Express edged up 3 1/2% to \$57, Eastman Kodak rose 5% to \$68 1/2, General Motors gained 5% to \$73 1/2 and Philip Morris was up 5% to \$70 1/2.

In the takeover arena Gillette plunged 5 1/2% to \$45 1/2 on volume of 4.4m shares making it the most active issue. The company said Mr Ronald Perleman, chairman of Revlon, was dropping his

\$65-a-share bid and selling his 9.2m Gillette shares back to the company at \$59 1/2 a share. The company said it might also buy up to 7m shares in the market.

Ponderosa lost 1 1/2% to \$24 1/2, Mr Asher Edelman, a New York raider, said he had 19 per cent of the restaurant chain and planned to seek control of it.

Zale, the jewellery store chain, rose 5 1/2% to \$48 1/2. It said it supported a \$50-a-share bid from People's Jewellers of Toronto and a Swiss investment group. Zale had rebuffed repeated previous offers from People.

Security Pacific, the West Coast bank holding company, slipped 3/4% to \$38 1/2. It announced two agreed takeovers - of Harbour Security Bank for an undisclosed price and Nevada National Bancorp for \$8.06 a share. The latter was unchanged at \$6 1/4.

Lane, a furniture maker, jumped 2 1/2% to \$55 1/2 on heavy volume in the over-the-counter market after Interco, a clothing manufacturer and retailer, down 5% to \$43 1/2, had launched a \$55-a-share offer.

A number of other rumoured takeover targets were lower. Holiday Corp fell 5 1/2% to \$67 1/2, Federated Department Stores dropped 5 1/2% to \$84 1/2 and Lear Siegler was off \$2 to \$80.

USX, the object of a bid from Mr Carl Icahn, lost 1 1/2% to \$20 1/2 on 3m shares, making it the third most active issue. It broke off talks with the United Steelworkers aimed at settling a protracted strike which now looks set to run into next year.

Reznord, a machinery maker, gained \$2 to \$20 1/2. It announced a recapitalisation involving the exchange of \$20 in cash and one new common share for

each old share. It also instigated a restructuring aimed at divesting businesses with some \$400m in annual sales.

Harris Corp fell 3/4% to \$31 1/2. The electronics and government systems group adopted a shareholder rights plan to deter "coercive takeover tactics" and prevent a takeover without a fair price being offered to all shareholders.

Among companies reporting profits yesterday, American Stores rose \$1 to \$55 1/2 after turning in third-quarter results of 54 cents a share against 72 cents, Browning-Ferris rose 1 1/2% to \$43 1/2 on fourth-quarter profits of 55 cents a share against 45 cents, and George Hormel, a leading meat packer, gained \$1 to \$32 1/2 on essentially flat earnings.

Prices rose in light trading in the credit markets, helped by bond buying abroad earlier in the day and on balance a generally positive view about the economic data due out this week.

The upturn in prices left the 7.50 per cent benchmark Treasury long bond up 1/4 of a point at 101 3/4% yielding 7.38 per cent. Three-month Treasury bills were up two basis points at 5.37 per cent, six-month bills were off one basis point at 5.40 per cent and year bills were up one basis point at 5.43 per cent.

A key feature of this week is the auction today of \$8.25bn of five-year bills. It is the only sale for about a month of government securities of roughly this maturity. So the bidding for them will give some indication of the market's mood and direction.

EUROPE

Pace of activity quickens

THE PACE of activity quickened on the European bourses yesterday as foreign, mainly US, buyers moved back into the market already strengthened by domestic institutional support.

Zurich hit a high for the year as Swiss institutions concentrated their buying on blue chips. Among leading issues were the certificates of Zurich Insurance, which jumped Sfr 200 to Sfr 3,800, Swissair up Sfr 15 to Sfr 230 and Frisa, among consumer stocks, which rose Sfr 200 to Sfr 4,400.

Engineers were mixed, with Saurer beater and registered shares dipping Sfr 5 and Sfr 15 each to Sfr 125 and Sfr 65, respectively, despite its forecast of breaking even this year. Turnover for the group fell 24 per cent in the first nine months.

Chemicals were steady to higher, with Hoffmann-La Roche "Baby" up Sfr 200 to Sfr 12,000 despite its admission of a toxic leak at its Sisseln plant.

Frankfurt derived encouragement from Friday's showing on Wall Street. Foreign demand was particularly evident for Deutsche Bank, Daimler and Siemens.

The downward revision of economic growth forecasts by the "five wise men" council of economic advisers failed to dampen sentiment which produced a

Stockholm is continuing to experience a sharp fall-off in foreign investment in the wake of the government decision to double share turnover tax from July.

Foreign institutions can now trade more cheaply in Swedish blue chips in London and New York. During October they sold Sfr 577m (\$83m) more shares in Stockholm than they bought compared with Sfr 331m in September. A year ago foreigners bought Sfr 474m more shares than they sold.

32.7 point jump in the Commerzbank index to 2,048.6.

Deutsche Bank led the banking sector with its DM 14.50 rise to DM 832 while Daimler closed DM 28 higher at DM 1,328. BMW, which held an analysts' meeting on Friday, gained DM 22 to DM 568, and VW edged DM 3 up to DM 433 ahead of board approval for a joint venture with Ford in South America.

Siemens at DM 741 was DM 24 higher while BASF in weaker chemicals was badly hit by Friday's spillage of two

tonnes of weedkiller into the Rhine. It dropped DM 8.10 to DM 267.50.

Mannesmann among engineers managed a DM 2 rise to DM 194.50 despite lower profit, turnover and orders for the first nine months.

Among strong retailers Mestel, traded for the first time, was quoted at DM 512. The Bundesbank sold a very large DM 243.8m of paper after Friday's sale of DM 91.2m.

Amsterdam continued to firm under the influence of Wall Street's improvement last week and the general upward trend in other bourses yesterday.

Internationals, despite leveling off later in the session, closed with healthy gains. Worries about leading US indicators to be published later this week failed to dampen sentiment.

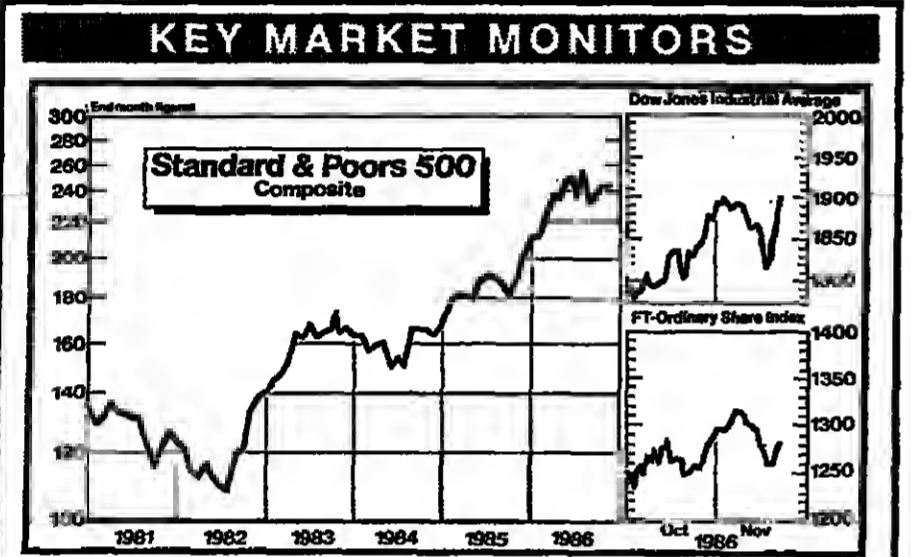
Paris rose on optimism over Wall Street and the beginning of the December trading account.

Strong demand was reported for shares in St-Gobain as the Government's two-week offer for sale of 70 per cent of the company got under way.

Milan scored a broad gain on active institutional buying although late profit-taking eroded some of the advance.

Brussels drifted higher in thin trading, and Madrid rose on heavy volume that benefited all sectors except communications.

Stockholm was weaker, with Asea down SKr 5 down at SKr 355 ahead of higher nine-month figures. Fermenta fell SKr 1 to SKr 106



STOCK MARKET INDICES			
NEW YORK	Nov 24	Previous	Year ago
DJ Industrials	1,906.07	1,893.58	1,464.33
DJ Transport	844.50	838.88	682.94
DJ Utilities	213.27	211.48	185.14
S&P Composite	246.33	245.86	201.52
LONDON			
FT Ord	1,282.6	1,274.2	1,148.9
FT-SE 100	1,636.5	1,624.9	1,451.0
FT-A All-share	812.36	807.63	702.06
FT-A 500	888.80	883.22	771.36
FT Gold mines	291.7	311.5	309.4
FT-A Long gilt	10.70	10.75	10.35
TOKYO			
Nikkei	closed 17,489.58	12,759.30	
Tokyo SE	closed 1,430.03	1,008.50	
AUSTRALIA			
All Ord.	1,337.6	1,346.1	991.0
Metals & Mins.	641.5	657.9	490.7
AUSTRIA			
Credit Aktien	233.90	233.70	230.36
BELGIUM			
Belgian SE	3,969.38	3,955.37	2,982.34
CANADA			
Toronto Metals & Mins Composite	2,014.50	2,099.83	1,920.0
Montreal Portfolio	1,541.42	1,534.31	137.64
DENMARK			
SE	191.38	191.19	222.65
FRANCE			
CAC Gen	392.40	388.2	246.6
Ind. Tendance	153.70	150.7	90.6
WEST GERMANY			
FAZ-Aidien	679.31	670.66	601.98
Commerzbank	2,046.60	2,013.9	1,778.4
HONG KONG			
Hang Seng	2,343.59	2,273.96	1,712.82
ITALY			
Banca Com.	715.25	701.41	428.73
NETHERLANDS			
ANP-CBS Gen	285.90	283.0	238.7
ANP-CBS Ind	285.50	281.8	214.5
NORWAY			
Oelo SE	n/a	381.34	408.39
SINGAPORE			
Straits Times	867.02	863.67	733.00
SOUTH AFRICA			
USE Golds	---	1,764	1,216.8
USE Industrials	---	1,385	1,028.8
SPAIN			
Madrid SE	187.58	184.94	101.04
SWEDEN			
J & P	2,515.62	2,542.62	1,592.20
SWITZERLAND			
Swiss Bank Ind	587.10	579.7	539.8
WORLD			
MS Capital Int'l	Nov 21	Previous	Year ago
	340.20	337.1	244.4
COMMODITIES			
(London)	Nov 24	Prev	
Silver (spot fixing)	\$71.20p	\$64.80p	
Copper (cash)	\$921.00	\$927.75	
Coffee (Nov)	\$2,187.00	\$2,108.00	
Oil (Brent blend)	\$14.675	\$14.875	
GOLD (per ounce)			
(London)	Nov 24	Prev	
	\$361.75	\$363.25	
Zürich	\$360.50	\$368.25	
Paris (fixing)	\$361.50	\$362.41	
Luxembourg	\$379.30	\$389.25	
New York (Dec)	\$362.4	\$379.30	

LONDON

OPTIMISM ahead of today's UK trade figures for October helped London to close on a high note led by good gains among gilt-edged shares.

The FT-SE 100 index closed 11.6 higher at 1,282.6, and the FT Ordinary share index rose 8.4 to 1,282.6.

Barclays Bank shares moved 15p higher to 465p following the announcement that it was pulling out of South Africa.

Elsewhere, Saatchi & Saatchi, the international advertising agency, added 25p to 670p, after suffering for some time on news of problems at its US unit.

Sharp gains in government bonds were later trimmed as traders squared up ahead of the trade figures.

Chief price changes, Page 31; Details, Page 30; Share information service, Pages 28-29.

HONG KONG

BUYING by US and European institutions boosted Hong Kong to its highest level this month. The Hang Seng index closed 69.61 up at 2,343.59.

Barclays Bank shares moved 15p higher to 465p following the announcement that it was pulling out of South Africa.

Elsewhere, Saatchi & Saatchi, the international advertising agency, added 25p to 670p, after suffering for some time on news of problems at its US unit. Sharp gains in government bonds were later trimmed as traders squared up ahead of the trade figures.

Chief price changes, Page 31; Details, Page 30; Share information service, Pages 28-29.

SINGAPORE

INVESTIGATIONS into alleged mismanagement at the National Bank of Brunei created uncertainty in Singapore, with banks showing the sharpest falls.

However, some late profit-taking lifted prices from their lows of the session, and the market closed mixed. The Straits Times industrial index was 3.35 up at 867.02.

Among banks UOB lost 10 cents to S\$4.34 in active trading. OCB fell 15 cents to S\$8.70 and Tat Lee Bank was 54 cents down at S\$2.93. DBS, against the trend, added 5 cents to S\$8.60.

Elsewhere, industrials were mixed, with Singapore Press adding 10 cents to S\$8.50, Cold Storage steady at S\$3.44 and Singapore Airlines 5 cents lower at S\$8.95.

AUSTRALIA

GOLDS suffered from the lower bullion price in Sydney although there was some support for industrials. The All Ordinaries index closed 8.4 lower at 1,337.6 while the golds index shed 59.7 to 1,512.2.

Among golds Kidston was 20 cents down at A\$7.50 and GMK 50 cents at A\$13.50. Other miners were also affected, with CRA down 20 cents to A\$6.56 and MIM 6 cents to A\$2.22.

Elsewhere, media group News Corp fell 30 cents to A\$15.70 while Woolworths continued to rise on takeover speculation, adding 5 cents to A\$3.90.

CANADA

THE FIRMER TREND on Wall Street boosted Toronto where most sectors traded higher after an early advance.

Active trading in Montreal Trust saw its shares slip 3 cents to 30 cents. However, other industrials traded higher, including Sears Canada, up 3 1/2% to C\$10 1/4.

Montreal was generally firmer although small losses were seen among utilities.

SOUTH AFRICA

THE WEAKER financial rand, which foreigners must use to buy South African shares, helped to offset concern in Johannesburg over Barclays Bank's withdrawal from the country and the weaker bullion price.

Shares in Barclays closed 50 cents lower at R22.50 while Nedbank added 20 cents to R8.65.

TOKYO STOCK EXCHANGE

Yen hampers appeal of foreign listings

THE NUMBER of foreign companies listed on the Tokyo Stock Exchange (TSE) has been growing rapidly though trading in these stocks has been lacklustre for over a year because of the yen's sharp appreciation, writes *Shigeo Nishitani* of Jiji Press.

However, signs that the Japanese currency is stabilising against the dollar have aroused optimism that the foreign stock section will shortly see brisker action.

A total of 21 foreign names, including British Telecom, McDonald's, Merrill Lynch and Northern Telecom, have opened listings in Tokyo this year. By the year-end, another 10, including Volvo and Exxon, are expected to follow suit.

Listed foreign companies have doubled to 42 from 21 at the end of 1985 and should reach 52 by the end of this year. In 1985, 10 new listings brought the number up to 21.

One large securities firm which is urging TSE listings by blue-chip foreign companies forecasts the total will exceed 100 next year, exceeding the 53 foreign stocks listed on the New York Stock Exchange.

Among the leading foreign names rumoured to debut on the TSE in 1987 are British Gas, Philips, Warner-Lambert and Amheuser-Busch.

Mr William A. Schreyer, chief executive officer of Merrill Lynch, said his company decided on a Tokyo listing in preparation for round-the-clock trading.

Tokyo markets were closed yesterday for a holiday.

in New York, Tokyo and London. It plans to offer cash management accounts and to secure a banking licence in Japan.

Reflecting the progressive internationalisation of the Tokyo capital market, 17 of the 42 listed foreign companies are engaged in banking and insurance business. The remaining 25 are food, chemical, electrical appliance and other manufacturers.

Among the listed foreign stocks, low-priced issues such as Teletonica, the Spanish telecommunications group, were traded actively. By contrast, high-priced leading foreign shares such as IBM re-

mained on the light side. In value, turnover amounted to ¥956.6bn (\$5.9bn) in January-October, only a marginal rise from ¥853.3bn in 1985.

Cash-rich institutional investors trade more actively in foreign securities in New York and London where the markets feature higher liquidity and lower costs than in Tokyo. On the TSE, foreign stock trading is confined largely to individuals and medium and small-sized corporations.

In part, the TSE attributes the slowness of its foreign sections to the poor performance of listed foreign shares. IBM stock, for instance, tumbled 37 per cent from a high of \$161 in April this year to \$117 in November.

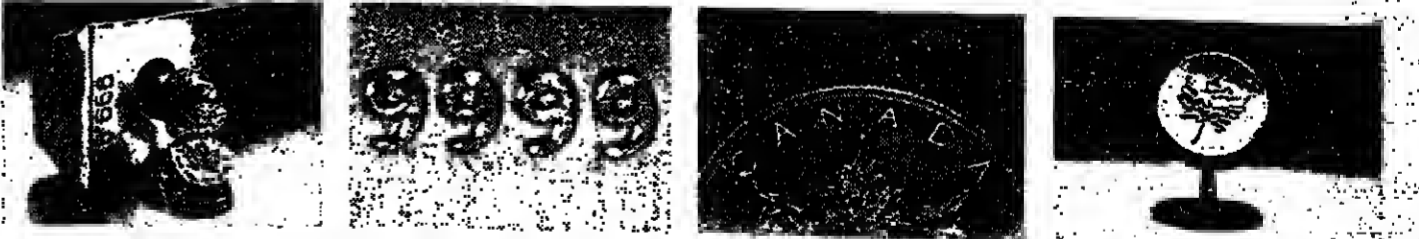
As foreign shares are traded in yen on the TSE, the IBM stock plunged from a high of ¥32,050 in January to ¥18,500 in October, a drop of more than 42 per cent.

But with the yen steady at last against the dollar, Japanese individuals and corporations are now poised for earnest investment in foreign securities, said Mr Morimasa Yamada, executive managing director of Nomura Securities.

The Solid Gold Investment



Gold is the one commodity that has long been valued as the basis for sound financial planning. Esteemed for its enduring value, gold is a long-term insurance against monetary, political and social uncertainty. It is held by international bodies, governments, banks, corporations and individuals. Investors are generally advised to include at least 10 percent of gold in a portfolio. Since gold prices most often move independently of paper investments, gold can anchor your more speculative ventures. Around the world gold bullion coins are the most popular investment vehicle for private investors. And Canada's Gold Maple Leaf is the best-selling coin in the world.



SOLID GOLD
When you invest in gold bullion, choose the most portable and widely-accepted—Canada's Gold Maple Leaf. To suit your individual investment needs, the Gold Maple Leaf is available in 1 oz., 1/2 oz., 1/4 oz. and 1/10 oz. sizes.

PUREST GOLD
The Gold Maple Leaf contains a minimum of one troy ounce of 9999 fine gold, no other coin is purer. It has no base metals, which add weight but little value.

CANADIAN GOLD
The Gold Maple Leaf is produced from gold mined and refined entirely in Canada. The Canadian government guarantees its gold content and gives it legal tender status.

GLOBAL GOLD
The Gold Maple Leaf is recognized around the world. It can be quickly and easily traded with no costly assay at resale. You will find the Gold Maple Leaf wherever gold is traded—at banks, brokerage houses and coin dealers.



Canada's Gold Maple Leaf

THE PRECIOUS ELEMENT IN YOUR PORTFOLIO.

Canada

Royal Canadian Mint Monnaie royale canadienne